Greetings from the SaskBarley Board. We hope you had a safe and productive growing season.

Our Board has been busy this summer and as a result I have a few things to report.

Throughout the 2016/17 budget year, which wrapped up on July 31, we continued our commitment to funding research, and as a result, our research investments increased 18% from the previous fiscal year.

Specifically, our current research investments are looking at: determining agronomic strategies in feed and malt barley; controlling Japanese brome in barley crops; developing germplasm and new barley varieties for Western Canada; promoting barley as a feed grain; strategies for dealing with DON-infected barley; and evaluating new malt barley varieties for export markets.

Over the past year, we also made a commitment of $1.4 million over five years to the National Barley Research Cluster, a federal program that will start next year and aims to grow the barley industry by investing in research and development activities that bring innovation to the sector and help industry bring the results to market through adoption and commercialization. In the past phase of this program, our investment was matched at a rate of 3:1, so our $1.4M investment will translate into over $4.2 million in barley research.

For an overview of all these investments, visit the “research” section on our website.

We will also have a more detailed overview of all our 2016/17 financials in our annual report, which will be published late this year and will be available on our website or at our annual general meeting (AGM) in January. For more details about our AGM, and an agenda, flip to Pg. 2-3. We hope to see you there!

And if you’re planning to come to our AGM, we encourage you to stay for CropSphere 2018, which we are once again co-hosting in partnership with Sask Wheat, SaskOats, SaskFlax, SaskPulse and SaskCanola. CropSphere 2018 will take place January 9&10 in Saskatoon during Crop Week (most of the host groups’ AGMs will be held Monday, January 8). We also have some very interesting and relevant barley-specific sessions on the program for this year – flip to Pg. 2 for more information on this. Registration opens November 1 at www.cropsphere.com.

As always, feel free to reach out to us with any feedback you have. I hope to see you all in the new year.

Jason Skotheim, Chair
Upcoming Events

**Agribition**  
*November 20-25, 2017*  
*Evraz Place, Regina*  

SaskBarley will be sponsoring Agribition’s Commercial Cattle Show reception, taking place Friday, November 25, in the Watering Hole, right after the conclusion of the Commercial Cattle Show. If you plan to be in attendance, make sure to come by for a drink.

We will also have a booth throughout Agribition 2017 in the livestock area. Come by to see the latest on feed barley research!

**CropSphere 2018**  
*January 8-10, 2018*  
*TCU Place, Saskatoon*  

CropSphere 2018 will be held at TCU Place, in downtown Saskatoon (same venue as 2014-2016). We had planned to stay at Prairieland Park but, in light of their current space issues and delayed expansion plans, they are not able to host us for 2018.

We feel that a move back to TCU is in the best interest of the event for 2018. This space will allow us to give our attendees and sponsors the best experience in terms of location, space, speakers and sessions, food and beverage, and networking opportunities.

Visit [www.cropsphere.com](http://www.cropsphere.com) for a full agenda and registration information.

**SaskBarley AGM 2018**  
*January 8, 2018*  
*1:15PM-2:30PM, Gallery A, TCU Place, Saskatoon*  

SaskBarley’s 2018 annual general meeting (AGM) will take place at 1:30 PM, Monday, January 8, 2018 in Gallery A, TCU Place, Saskatoon.

Please note, if you are attending the AGM and are NOT registered for CropSphere, please stop at the Conference Registration Desk on your way in to pick up your “AGM ONLY” attendance pass.

Barley sessions at CropSphere 2018

**Tuesday, January 9**

Barley market outlook: Global opportunities for barley in feed and malt  
*Peter Watts, Managing Director, Canadian Malting Barley Technical Centre & Phil de Kemp, Executive Director, Barley Council of Canada*

**Wednesday, January 10**

How to productively, profitably and sustainably grow barley in Saskatchewan  
*Troy Laforge, Senior Agronomist, Ultimate Yield Management Institute*

Best management & marketing practices from Saskatchewan farmers who consistently grow profitable barley crops  
*Farmer panel: Maurice Berry (Carievale), John Burns (Wynyard), Matt Enns (Rosthern) Moderator: Brent Johnson, Vice-Chair, SaskBarley Board*

SaskBarley fall elections update: Board of Directors to Remain Unchanged

In late September, we officially announced today that the three positions up for election on our Board of Directors had been filled by the three incumbents of these positions, Jason Skotheim of Saskatoon, Brent Johnson of Strasbourg, and Allen Kuhlmann of Vanguard.

The nomination period for these positions closed on Friday, September 15.

All three of the acclaimed Directors have been serving on the Board since SaskBarley’s first elected Board of Directors took office in January 2014 and are eager to continue making progress in pursuing the organization’s strategic goals.

For more information on election procedures, visit our website: [www.saskbarleycommission.com](http://www.saskbarleycommission.com)
SaskBarley AGM

Agenda
1. Call to Order
2. Approval of Agenda
3. Review and Approve Minutes of the Last Annual General Meeting
4. Business Arising from the Minutes
5. Report from Organization
6. Auditor’s Report
7. Appointment of Auditor for 2017/2018
8. Declaration of Election Results
9. Call for Resolutions
10. New Business
11. Adjournment

Motions to be presented
1. That the Agenda for the 2018 AGM be approved as presented.
2. That the minutes of the 2017 Annual General Meeting be approved as presented.
3. That the Chair’s Report/State of the Industry be approved as presented.
4. That the Executive Director’s report be approved as presented.
5. That the audited statements for the year ended July 31, 2017, be approved as presented.
6. That SaskBarley appoint Pricewaterhouse-Coopers as auditor for the year ending July 31, 2018.
7. To adjourn the 2018 AGM.

IDEAS, INNOVATION AND KNOWLEDGE
January 9 and 10, 2018

NEW LOCATION in 2018: TCU Place, Saskatoon (35 - 22nd St E)
Hosted by: SaskBarley, Saskatchewan Pulse Growers, SaskFlax, SaskCanola, SaskOats, and Sask Wheat

REGISTRATION:
Early registration: $150 - Available from November 1 to November 30, 2017
Regular registration: $200 - Available from December 1, 2017 to January 5, 2018
Registration at the door: $250
One-day registration: $150

For more information, visit: CROPSHHERE.COM
A look back at the 2016/17 year

Another year of building momentum for the barley industry

Our budget year officially ended on July 31, 2017, which means we’ll soon be releasing our annual report for 2016/17.

The annual report will be available on our website as of December, and hard copies will be available at our annual general meeting in January. In the meantime, here’s a glimpse at some of the highlights from our past year.

Research
Over the past year, we invested more than $265,000 into current research activities that our Board has carefully vetted to meet our strategic goals of improving barley varieties for production in Saskatchewan and for end-use markets, and establishing best management practices for Saskatchewan producers.

Some of this research included:
- Strategies for managing feed and malt barley
- Optimizing ruminal fermentation using silage and cereal grain inclusion strategies for backgrounding and finishing steers
- Developing germplasm and new barley varieties for Western Canada
- Screening new Canadian malting barley varieties for dimethyl sulfide and its precursor
- Studying beer flavour contributed by barley varieties
- Studying the effects of fusarium on malt quality and DON formation during the malting process
- Investing in barley research and development activities that bring innovation to the sector and help industry bring the results of research and development to market through adoption/commercialization

For a complete list of SaskBarley’s ongoing and completed research investments visit www.saskbarleycommission.com/research/research-reports or see our annual report.

Market development
In 2016/17, SaskBarley continued to invest in international market development through its partnership with the Barley Council of Canada (BCC), the national organization that works on behalf of the entire value chain to foster the long-term profitability and sustainable growth of Canada’s barley industry.

Throughout 2016/17, BCC led several initiatives to increase international demand for Canadian barley, specifically in China, which holds significant export potential for us. You can see a full list of BCC’s projects in our annual report.

We also invested in market development work through the Canadian Malting Barley Technical Centre that aims to begin paving the way for long-term export demand for Canadian malting barley in Colombia, Peru, Ecuador and Chile (these four countries combined import approximately 450,000 tonnes of malting barley).

Advocacy/advisory
In 2016/17 SaskBarley was an active advocate for Saskatchewan barley producers in a number of areas.

We continued to work in partnership with the Agricultural Producers Association of Saskatchewan (APAS) and Sask Wheat to respond to government announcements on the subject on rail transportation in Canada and to form a delegation that travelled to Ottawa in spring 2017 to meet with Federal government officials on the topic of transportation.

We also remained a member of the Carbon Advisory Committee, a group that focuses on protecting Saskatchewan producers from negative repercussions of a federal carbon tax, by using scientifically sound arguments derived from decades of research that has been done in our province surrounding soil carbon.

Throughout 2016/17, the committee further honed its messaging and its reach, presenting its findings to several other organizations and government groups that are involved in carbon discussions.

In 2016/17, we maintained our membership and Board position with Farm and Food Care Saskatchewan (FFC-SK), a group that aims to raise awareness and appreciation of agriculture in Saskatchewan. In summer, 2017, SaskBarley also sponsored FFC-SK’s Chef’s Series exhibit at Taste of Saskatchewan, which featured top Saskatchewan chefs competing to prepare dishes featuring Saskatchewan-grown foods, including barley.

More than 100,000 people attended the six-day event in Saskatoon.

For more information, watch for our annual report.
Crafting a new industry
What the rise of craft beer in Saskatchewan means for barley growers

People in Saskatchewan are thirsty for a new kind of beer.
Our province’s craft beer sector has been growing steadily in recent years and one brewer says the future continues to looks bright.

“We just view it as nothing but untapped potential, especially for Saskatchewan,” says Mark Heise, President and CEO of Regina’s Rebellion Brewery, one of the largest producers of craft beer in Saskatchewan.

The growth trend for the craft beer sector has proved to be true not only in Saskatchewan but across the country. In 2016, the number of Canadian brewing facilities had increased to an all-time high of 775, up 20.3% from 2015.

While the majority of these brewing facilities are in Ontario and Quebec, Saskatchewan is within the top three provinces for the number of brewing facilities per capita (at a rate of 4.6 per 100,000 drinking age adults), with approximately 17 breweries in our province as of earlier this year.

(You can find them all listed at saskdrinks.com, a website launched earlier this year by the Saskatchewan Craft Brewers Association and the Saskatchewan Artisan Wines and Spirits Association.)

And this growth is good news for Saskatchewan malting barley growers, as craft beer production requires approximately three to four times as much malt as mainstream beer production, says Peter Watts, Managing Director of the Canadian Malting Barley Technical Centre (CMBTC).

“The growth in the craft sector leads to an incremental growth in demand for malt and ultimately malting barley,” Watts says. “Already 35% of all malt in North America is used by the craft brewing sector and that may rise to 40-45% in the next five to seven years.”

But the bad news is that this growth is likely to slow down.

A recent article from the United States’ (U.S.) Brewers Association shows that while the country’s craft industry was still growing as of last year, growth had declined. It looks like Canada might go in the same direction. Here, our national beer production declined 2.4% from 2015 to 2016 and sales volumes declined 0.7% during the same time period.

“My takeaway is that growth in both the number of craft breweries opening and volumes is slowing, which is not surprising as it grew at double digits for so many years,” Watts says. However, he expects the growth will continue, just at a slower pace.

“I would also say that the craft sector itself will continue to grow. Today craft accounts for 10-15% of national beer sales by volume, which could rise to 15-20% over the next five years,” he says.

How big is the craft beer market?
It’s important to keep the overall numbers in mind, as the craft market represents a very small percentage of the overall beer market in Canada, perhaps as low as 1-2% in Saskatchewan.

For example, Rebellion is on track to produce about 3,000 hectoliters (HL) of beer this year (for reference, one HL equals 100 litres). While that is up about 1,000 HL from two years ago, it’s still nowhere near Great Western Brewery’s average of just under 200,000 HL a year.

But although Great Western competes with the major

We want to send you to a malting barley course at the CMBTC in Winnipeg!

Last year, SaskBarley had a draw during Crop Production Week in Saskatoon to send a Saskatchewan barley producer to a three-day malting overview program at the Canadian Malting Barley Technical Centre (CMBTC) in Winnipeg, MB. The lucky winner was Dean Sawchuk, of Quill Lake, SK.

This year we are making the offer even better! We will be sending one lucky winner to a CMBTC course specifically designed to help barley producers improve their understanding of the malting barley industry including areas such as breeding, production, procurement, malt processing, market development and commercialization. This course will take place spring 2018 in Winnipeg.

To enter the draw, come to our AGM or visit our booth at the Crop Production Show in January 2018. Please note, only registered barley producers will be eligible to win.
international players in the traditional beer market for market share in Saskatchewan, the company finds itself positioned somewhere in between the traditional and craft market in terms of definitions. While in the U.S., a craft brewer is defined by being small, independent and innovative, Canada lacks a concrete definition for what qualifies as craft brew.

“We like to think of Original 16 as craft beer, as we double-age the beer and we only use Saskatchewan-grown barley,” says Great Western President and CEO Michael Mirovčin. “But other people might not consider it craft just because of the size of our brand.” Furthermore, GW has always promoted the use of local products – another attribute usually associated with craft brew. The brewery runs a program in partnership with Prairie Malt, in Biggar, to source 100% Saskatchewan barley for its beer and uses, on average, 2,500 metric tonnes of Saskatchewan barley a year.

“It’s important to us to work with local companies, to celebrate the fact that we are a Saskatchewan company,” Mirovčin says. “We want to support local partners and local growers as much as possible.”

But despite the confusion around the definition of craft beer, and where Great Western fits, Mirovčin says the growing number of micro-craft brewers in the province is a welcome addition.

“We’re personally excited that the face of the industry is changing and that there are more local producers, which we think is wonderful,” he says, adding that Great Western has begun to collaborate with the local craft beer community.

“Our collective interest is to promote Saskatchewan-produced beer. We really have a common goal of supporting and promoting local growers. We’re looking for ways we can help each other in the best ways we can.”

Why the growth?

One of the reasons for the growth of the craft industry is that it has been working with the provincial government to create a more welcoming climate for craft operations in our province.

Last year the provincial government changed regulations to allow private and public liquor stores to fill beer growlers (glass jugs designed to keep draft beer fresh), in an effort to make craft beer more accessible to people in Saskatchewan.

Also last year, the government announced a change in the tax markup structure for craft breweries. While previous regulations had breweries that produced more than 5,000 HL of beer a year being taxed at levels that were not tenable for small businesses, these new regulations saw the markups decrease in an effort to nurture the young industry and allow it to stay competitive.

Heise says these changes have come about as a result of a constructive working relationship between the industry and local government, one based on mutual goals of nurturing the local small-business environment and growing the economic output of the province.

“We’ve built a respectful back-and-forth dialogue and they’re willing to listen and we’ve earned that respect,” he says. “We’re not pitching things to take advantage of, or exploit a market. We’re trying to do things that legitimately improve the province’s economy and consumer’s enjoyment and experience of purchasing of alcohol in the province.”

Saskatchewan Agriculture Minister Lyle Stewart says this collaboration will continue.

“This industry’s growth sends a compelling signal to others that our value-added sector has significant opportunity to expand. Our government will continue to work collaboratively with alcohol producers as their success not only reflects the quality of the ingredients in our province, but also contributes to the prosperity of Saskatchewan.”

Another key to the growth in popularity of craft beer could

Mark Heise, President and CEO of Regina’s Rebellion Brewery, shows off some of his brewery’s latest creations. Heise believes there is nothing but untapped potential ahead for Saskatchewan breweries.
be that it’s becoming less of a niche market product. Although it’s hard to find statistical evidence of this, Heise says he has seen an increasingly diverse group of people drinking craft beer over the past couple of years.

Part of this has to do with Rebellion’s marketing, which aims to position the brewery as a place where everyone is welcome, he says.

“We view beer as something that can be part of the normal culture – it doesn’t have to be a fringe thing,” he says. “We’re really gone out of our way to appeal to everybody and welcome everyone in.”

“When you first open a craft brewery you get all the beer nerds and that’s great, but we never wanted to stop there.”

Future potential

Although there is speculation that the craft beer trend will slow down, there are still several exciting new developments happening within the industry in Saskatchewan.

For example, earlier this year Saskatchewan’s first craft malting operation was launched in Rosthern. Structured as a grower cooperative, Maker’s Malts aims to support the local craft beer and distillery scene by providing more of a niche approach to malt, says President Matt Enns.

“The idea for Maker’s Malt grew partially out of Enns’ observation that in areas of the U.S. where the craft scene developed more rapidly, craft maltsters were not far behind. It also grew out of his belief that the demand for local value-added products will continue to grow.

“In Western Canada, we’ve become very good at being efficient producers and producing a lot of grain for export, but we’ve really got away from using most of our supply locally,” he says.

“The general ‘farm to table’ movement has brought us to a bit of a tipping point, where more of the general populace is looking for quality local products, and crucially, has become willing to pay for them. This shift has really paved the way for the craft brewing and distilling movement and Maker’s Malt is a natural progression, having the same philosophy towards malting as the craft brewer does toward brewing.”

Watts estimates there are approximately 10 more small malting operations now across Canada, with another 10 in the works.

“We will definitely see more small malting operations opening in coming years,” he says.

Another indicator of future growth for the industry is that several Saskatchewan breweries are looking at new ways to get their products to customers. Rebellion is one of several local breweries that have already, or are in the process of incorporating canning lines into their operations, which Heise expects will take his business to a new level.

“In the beer industry now, 90% is sold in bottles and cans and 10% is sold as draft so we’re actually only playing in 10% of the market,” he says. “The real room for opportunity is to get into the retail market. That’s where the big growth is going to be.”

Heise says with new private liquor stores coming into Saskatchewan, the opportunity is increasing rapidly.

“We’re able to sell directly to them, and we’re already been able to build some great relationships,” he says.

And despite the overall small size of Saskatchewan’s craft beer industry, Heise is optimistic about the future. With relaxing government regulations, a growing market for the product, and breweries finding new and innovative ways to get the product to consumers, the sky’s the limit for this exciting new industry, he says.

“There’s so much more to discover there,” Heise says.

Delaney Seiferling, Communications Manager
THE SASKATCHEWAN BARLEY DEVELOPMENT COMMISSION:

The Saskatchewan Barley Development Commission was established in 2013 under the Agri-Food Act, 2004

SASKATCHEWAN BARLEY DEVELOPMENT COMMISSION (SASKBARLEY)

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