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A. PRAIRIES EAST SUSTAINABLE AGRICULTURE INITIATIVE INC.

INTRODUCTION

Prairies East Sustainable Agriculture Initiative, Inc. (PESAI) is a not-for-profit organization (incorporated December 2005) serving the Eastern Prairie region of Manitoba. The initiative is the product of a partnership between the agricultural community of Eastern Manitoba and Manitoba Agriculture, Food and Rural Initiatives (MAFRI). PESAI's objective is to support innovation, diversification and value-added opportunities in the Eastern and Interlake areas. Group activities are funded by provincial (Covering New Ground) and federal levels of government and by members of the Agriculture Industry in Manitoba.

PESAI activities are directed by an elected Board comprised of agricultural producers and entrepreneurs from the Eastern Prairie region. Staff from Manitoba Agriculture, Food & Rural Initiatives' Agri-Food Innovation & Adaptation Knowledge Centre helps to carry out PESAI activities.

Headquartered in Arborg, PESAI serves agricultural producers in the Eastern and Interlake regions of Manitoba. Working in partnership with individual producers or producer groups, PESAI focuses on applied research, innovation, diversification, value-added, advanced technology, market development and sustainability initiatives that directly benefit local area producers. Extension programs include applied field research and demonstrations; tours, seminars and workshops; and reports, fact sheets and newsletters. A wide range of rentable equipment, including a mechanical saskatoon harvester and an RFID panel reader set, is available to local producers and producer groups. The PESAI Board is also open to research and project submissions from individuals and groups. Contact PESAI for a project submission form or to become a member.

BACKGROUND

The Prairies East Sustainable Agriculture Initiative, Inc. (PESAI) concept began in 2004. With the reorganization of Manitoba Agriculture, Food and Rural Initiatives (MAFRI) in April 2005, PESAI found its place as one of four Manitoba Diversification Centres, including: Parkland Crop Diversification Foundation (PCDF) – Parkland Region, Westman Agriculture Diversification Organization (WADO) – Southwest Region and Canada-Manitoba Crop Diversification Centre (CMCDC) – Central Region.

In 2005/06, PCDF, WADO and PESAI received \$250,000 funding through the Agricultural Policy Framework for the purchase of capital assets to support diversification projects. In addition, each fiscal year, the groups are notionally allocated \$75,000 Covering New Ground (CNG) funding to carry out such projects.

In 2005/06, MAFRI Diversification Specialist, Terry Buss and Farm Production Extension Specialist, Dwayne Summach, assisted PESAI with their purchase of capital assets, the completion of eight projects, their incorporation in December and their first Annual General Meeting.

In April 2006, MAFRI Diversification Specialist, Paula Halabicki, and Diversification Technician, James Lindal, were hired to work with PESAI and to manage PESAI activities. They assisted PESAI with the implementation and delivery of 15 projects, including PESAI's first small-plot research trials.

ANNUAL REPORT

As a recently formed organization, Prairies East Sustainable Agriculture Initiative, Inc. (PESAI) was not able to complete a 2005/06 annual report. As such, the following report is a compilation of information for projects completed in 2005/06 and 2006/07. Future PESAI annual reports will be completed each April and made available at the PESAI Annual General Meeting.

PROJECT SUBMISSIONS

The Board of Prairies East Sustainable Agriculture Initiative, Inc. (PESAI) focuses on initiatives that directly benefit local area producers. They look to grassroots organizations and producers for project ideas. If you have an idea you'd like to share, fill out PESAI's Project Submission Form found on page 5. An electronic version of the Project Submission Form is also available – contact PESAI to receive it via email.

MEMBERSHIP

Share your expertise, share your voice, and be a part of the latest developments in agriculture, by becoming a Member of Prairies East Sustainable Agriculture Initiative, Inc. (PESAI). Membership to PESAI is free and open to individuals and corporations that are interested in the development of the Prairies East Region of Manitoba and whose applications for membership have been approved by the Board of Directors. Please fill out the application on page 7 and mail to PESAI at the above address. Beginning in 2007, PESAI Members will receive copies of the PESAI tri-annual newsletter and the annual reports. Via email, members will be informed of upcoming PESAI-sponsored workshops or events, including the summer research tour and winter meeting.

RENTABLE EQUIPMENT

Prairies East Sustainable Agriculture Initiative, Inc. (PESAI) has a range of facilities and plot equipment located near Arborg to be used for applied research activities. Much of their equipment can also be rented by producers or producer groups. A list of rentable equipment and 2006 rental rates can be found on page 8.

CONTACT

For more information please contact:

Prairies East Sustainable Agriculture Initiative, Inc. (PESAI)

c/o: Paula Halabicki, MAFRI
Box 2000, 317 River Road West
Arborg MB R0C 0A0

PHONE: 204.376.3300
FAX: 204.376.3311
EMAIL: Paula.Halabicki@gov.mb.ca




PESAI
Supporting ALL Agricultural Sectors

*Alternative Energy
Livestock
Forages
Fruit Crops
And so much more*



Saskatoons Research Orchard

- Production Demonstration
- Researching new technology

- Variety Evaluation
- Field Days & Meetings

Established by:





Funded by:

Sponsors








**Prairies East Sustainable
Agriculture Initiative Inc.**

**Box 2000, 317 River Rd W
Arborg MB R0C 0A0**

**Phone: (204) 376-3300
Fax: (204) 376-3311
Paula.Halabicki@gov.mb.ca**

B. PROJECT SUBMISSION FORM

INSTRUCTIONS

- Applications should be written in point-form
- Applications must not exceed 3 pages in length (you may include a separate page if needed)
- Completed applications can be emailed, faxed or mailed

APPLICANT'S INFORMATION

Name of Organization		
Contact Person (Name & Title)	Telephone #	Email Address
Street and/or Postal Box Address		
Town/City		Postal Code

PROJECT TITLE

--

PROJECT DESCRIPTION

Objectives (i.e. What do you want to accomplish?)
Background/History (i.e. Why is the project needed?)

Fit to PESAI Priorities (i.e. How does the project support innovation, diversification and value-added opportunities in the Eastern/Interlake region?)
Project Activities/Details (i.e. How will the project be carried out and what information/measurements will be collected?)
Project Output/Deliverables/Communication (i.e. How will the project and/or results be communicated?)
Partners
Locations

PROPOSED PROJECT BUDGET

Budget Item	Total Project Cost	Requested from PESAI	Partner Contributions	
			Amount	Partner Name
Labour Costs				
Travel Expenses				
Supplies/Materials				
Fees/Analysis				
Equipment/Facility Rental				
Advertising & Promotion				
Other (please specify)				
TOTAL				

APPLICANTS SIGNATURE: _____ DATE: _____



**Prairies East Sustainable
Agriculture Initiative Inc.**

**Box 2000, 317 River Rd W
Arborg MB R0C 0A0**

**Phone: (204) 376-3300
Fax: (204) 376-3311
Paula.Halabicki@gov.mb.ca**

C. PESAI MEMBERSHIP APPLICATION FORM

Membership to PESAI is free and open to individuals and corporations that are interested in the development of the Prairies East Region of Manitoba and whose applications for membership have been approved by the Board of Directors. If you are interested in becoming a member, please fill out the application below and mail to PESAI at the above address.

ADMISSION OF MEMBER

TO: Prairies East Sustainable Agriculture Initiative, Inc.

CIRCLE ONE: Corporation Individual

NAME: _____

REPRESENTATIVE: _____
(if corporation)

MAILING ADDRESS: _____

PHYSICAL ADDRESS: _____

PHONE NUMBER: _____

EMAIL ADDRESS: _____

DATE: _____

SIGNATURE: _____

D. PESAI EQUIPMENT RENTAL RATES – 2006

Item Description	Rental Rate	Conditions
3/4 tonne grey Chevrolet Silverado	\$ 0.44 per kilometer	Valid drivers license
Trailer - 2006 Darco, 20' deck, tri-axle, 9525 kg capacity	\$ 0.11 per kilometer	Class 3 license required
Plot Combine, Wintersteiger - equipped	\$ 130.00 per hour of use, equipped	
Plot Combine, Wintersteiger	\$ 100.00 per hour of use, dry	Operator restricted to trained individuals
Plot Seeder - 3 pt hitch, no-till, hoe drill	\$ 30.00 per hour of use	Operator restricted to trained individuals
Tractor Mount Sprayer - 3 pt hitch plot, offset boom, hydraulic height adjustment	\$ 24.00 per hour of use	Operator restricted to trained individuals
Bicycle Sprayer - Hand pushed sprayer	\$ 10.00 per day, dry (no CO ₂ included)	Operator restricted to trained individuals
5' Rototiller, FarmKing C2560	\$ 50.00 per day	Operator restricted to trained individuals
CDT Carter-Day Dockage Machine	\$ 25.00 per day, no charge if combine used	Operator restricted to trained individuals
Saskatoon Berry Picker	\$ 40.00 per hour of use + sanitation charge	Operator restricted to trained individuals
Saskatoon Berry Picker, sanitation charge	\$ 50.00 per sanitation	To be completed by Diversification Technician
Saskatoon Berry Picker, cleaning solution	\$ 25.00 per jug or appropriate charge per portion used	
Heavy Duty Plastic Mulch Applicator, yellow	\$ 40.00 per day	
RFID Panel Reader Set for weighing cattle	\$ 30.00 per day	
Weather Stations - rainfall, wind speed/direction, barometric pressure, temperature	\$ 300.00 per season, cost can be split by parties using data	Set up by PESAI employees only

Rental rates subject to change.

Equipment must be visually inspected and returned in equivalent condition.

Cost of repair from damage due to misuse will be charged to the renter.

E. ANNUAL REPORT 2005-2006

BOARD OF DIRECTORS

Chair	Leslie Jacobson	Arborg	376-5062
Vice-Chair	Bill Uruski	Arborg	372-6294
Secretary/Treasurer	David Schettler	Riverton	378-2830
Executive Member	David Young	Hadashville	426-5543
	Cliff Graydon	Dominion City	427-2589
	Herb Kletke	Teulon	886-2822
	Bruce Modjeski	Beausejour	268-3059
	John Ritz	Petersfield	738-2476
	Rick Rutherford	Grosse Isle	467-5613

SUPPORT STAFF – MANITOBA AGRICULTURE, FOOD & RURAL INITIATIVES

Diversification Specialist	Terry Buss	Beausejour	266-1330
Farm Production Extension Specialist	Dwayne Summach	Beausejour	266-6014

MEMBERSHIP STATISTICS

Prairies East Sustainable Agriculture Initiative, Inc. (PESAI) began accepting members to its organization in 2005/06. Eight members joined PESAI at the 2005/06 Annual General Meeting.

PROJECT SUMMARY STATISTICS

In 2005/06, PESAI received ten project submissions. Requests ranged from \$2200 to \$55,550, for a total funding request of \$176,380 from PESAI. The requested funding made up 53% of the total project costs.

PESAI was able to fund eight projects, for a total of \$75,000, or 43% of the requested funding. Amounts allotted per project ranged from \$800 to \$25,000. All funds allocated were used.

PROJECT #1: AQUACULTURE SHORT COURSE

Lead Partner: Hilmar Johnson, Business Development Specialist Aquaculture, Manitoba Agriculture, Food and Rural Initiatives

Allotted Funding from PESAI: \$5300.00

PESAI Funding Spent: \$5300.00

Total Project Cost: \$22,500.00

Contributors: Canadian Agricultural Skills Service

Objective: To provide producers and rural people in Manitoba an educational forum to gain exposure to and an understanding of opportunities in aquaculture and aqua-ponics.

Project Activities: A two day aquaculture workshop was held on March 22nd and March 23rd, 2006 in Teulon at the Teulon Rockwood Centennial Centre. Ontario's and Alberta's aquaculture specialists, an international aquaculture specialist and three fish farmers participated on the agenda over the two day event. A tour of two local fish farms complemented the classroom sessions.

The two day event was advertised in all the three major farm newspapers.

Results/Observations: The workshop was successful in meeting its objectives and in updating a large sector of our rural community on aquaculture and aqua-ponic opportunities in Manitoba.

The two-day event averaged 74 people each day. The expertise of the speakers on the agenda was appreciated by the audience.

Conclusions/Recommendations: Attendance at the two-day workshop has shown that there is a lot of interest from rural Manitoba to explore diversification opportunities in aquaculture and aqua-ponics.

PROJECT #2: ADVANCING THE OPPORTUNITIES: AGRI-ENERGY

Lead Partner: Michael Sykes, Business Development Specialist, Manitoba Agriculture, Food and Rural Initiatives

Allotted Funding from PESAI: \$7000.00

PESAI Funding Spent: \$6916.36

Total Project Cost: \$11,716.36

Contributors: Canadian Petroleum Products Institute, Canadian Canola Growers Association, Keystone Agriculture Producers, Selkirk Crops Club

Objective: To provide new ideas and direction on value-added and diversified opportunities to rural communities. Experts in various fields in new opportunity areas will be brought in to transfer their knowledge to communities in the PESAI area via local advisory boards and MAFRI staff.



Project Activities: A seminar on Agri-Energy Opportunities in Manitoba was held on Tuesday, April 18, 2006 in a centralized location (Winnipeg) for easy access to participants from North and South Interlake and Eastman areas. Presentations included discussion on: what is required to advance Agri-Energy opportunities in Manitoba and the financial effect on the rural community and individual producers and practical concerns and issues that face advancing Agri-Energy opportunities and require in-depth analysis before proceeding.

The audience targeted included: MAFRI area Advisory Councils, farm groups, Community Development Corporations, and the general farming public interested in agri-energy opportunities. The seminar was advertised through 6500 flyer mail outs and newspaper ads in the Agri-Post, Carillon News, Clipper, Selkirk Journal, Stonewall Argus, Interlake Spectator, and The Review.

Results/Observations: The seminar was successful in meeting its objectives and in updating a large sector of our rural community on Agri-Energy opportunities in Manitoba.

A total of 134 people attended from industry, government, community groups, advisory boards and individual producers.

Conclusions/Recommendations: This format for information transfer proved to be very useful and this approach would be recommended for other opportunities that might exist.

PROJECT #3: MICRO FORESTRY AND WOODLOT TRAINING WORKSHOPS

Lead Partner: Manitoba Agro Woodlot Program

Allotted Funding from PESAI: \$1100.00

PESAI Funding Spent: \$1100.00

Total Project Cost: \$20,550.00

Contributors: Manitoba Agro Woodlot Program

Objective: To deliver skills based training workshops and foster development of the Micro-Forestry Industry in agro Manitoba. Objectives of the workshops, targeted at rural landowners and entrepreneurs, are: (1) to increase income and employment through value-added processing of forest products; (2) to increase sustainable private land forestry activity; and (3) to deliver practical skills training with the goals of increasing operator safety, efficiency, productivity and profitability as well as product quality.

Project Activities: The following eight workshops were held:

1. Bandsaw Sharpening & Setting (Fred Tait) – Morris
2. Chainsaw Operation & Maintenance (Darryl Neustater) – Erickson (two workshops)
3. Milling for Grade (Gene Wengert) – Brandon and Winnipeg
4. Low Impact Logging (Scott Davis) – Brandon and Morris
5. Woodlot Taxation (Scott Davis & Bob Austman) – Selkirk

Each workshop was advertised in the Manitoba Co-operator, Farmer's Independent Weekly and various local papers.

Results/Observations: Newspaper articles were written to promote each workshop, and the Low Impact Logging workshop received front page coverage in the Co-operator.

A total of 89 producers, entrepreneurs and landowners attended the workshops.

Conclusions/Recommendations: While attendance at workshops was slightly lower than anticipated, those attending were positive when evaluating the quality of the presenters and information provided.

PROJECT #4: POTENTIAL OF FORAGE FED BEEF AS A NICHE MARKET IN MANITOBA

Lead Partner: Manitoba Forage Council (MFC)

Allotted Funding from PESAI: \$25,000.00

PESAI Funding Spent: \$25,000.00

Total Project Cost: \$34,400.00

Contributors: Manitoba Forage Council, Agriculture and Agri-Food Canada

Objective: The objectives of this project were threefold: (1) to determine the potential of Forage Fed Beef as a niche market in Manitoba and export markets; (2) to identify the processing, business structure and marketing strategies that would make possible the accessing of this market (i.e.: Value Chain for this product); and (3) to provide technical information to Manitoba Forage/Livestock producers regarding the production practices required to generate a product required by the industry and to identify the potential profitability of the product.

Project Activities: A study/survey of consumer acceptance for Manitoba Forage Fed Beef was conducted by a qualified consultant – Kelwin Consulting of Winnipeg. The project targeted, primarily, the Winnipeg market, but also selected sites for an export market.

Opportunities and constraints for processing the product for the Winnipeg and selected export markets were determined. These included the requirements for processing for a quality product, and the processing options for the product in Manitoba and neighbouring provinces.

A business plan for a Value-Chain approach, involving producers, processors and marketing agencies was initiated. The plan will be completed by a qualified consultant and will include a strategy to ensure the development and maintenance of a high value product with the desired market characteristics (e.g. Omega 3 and CLA content).

A resource guide for Manitoba Beef Producers was developed, specifying the production practices required to create a quality product. The guide will be completed under the direction of the Manitoba Forage Council and will be included in the Manitoba Forage and Grassland Reference manual as well as selected Web sites.

Results/Observations: The report completed by Kelwin Management Consulting is a preliminary report to March 31st.

The committee involved in this project included: Brian Kelly, Randy Baldwin and Vivian Munro of Kelwin Consultants; Glenn Friesen, Myrna Grahm and Henry Nelson of MAFRI; Dr. Shannon Scott of Alberta Agriculture, Food and Rural Development; Dr. Kim Ominski of the University of Manitoba; Bragi Simundsson and Joe Bouchard (MCPA), cattle producers; and Don Green and Fraser Stewart of the MFC.

A product definition of “Forage Finished Beef”, a preliminary survey of current Manitoba producers and protocols for the production of the product was completed. Quality traits, market trends and consumer characteristics were identified, and some of the carcass qual-

ity issues and health food aspects of the product were addressed. Market size and locations were established and the promotion strategy, product positioning and possible pricing strategies were identified.

Forage finished supply chains are being considered which will include current slaughter and processing opportunities for Manitoba forage/livestock producers. A review of the key success factors involving Forage Finished Beef, including economic factors which are essential for the feasibility of the product, is being completed. Value-chains, which will determine the feasibility of this product, are being developed in synch with the marketing and production information.

This project involves several aspects that have to be developed in sync to ensure project success. These include production technology of the forage fed beef by the producers, processing of the product, potential market information and perhaps most important, the Value-Chain which ties all segments together. The market information is only one aspect of the total project.

When the entire value-chain project and the production protocols have been completed, the information will be developed into a FACT sheet format that will be available on the MFC web site.

Conclusions/Recommendations: This project will identify the strategies and opportunities for production, processing and marketing of Forage Finished Beef production from Manitoba.

Note: MFC has now completed their assessment. The report can be found on their website:
<http://www.mbforagecouncil.mb.ca/researchprojects/default.aspx>

PROJECT #5: PROMOTION & AWARENESS OF THE OPPORTUNITIES IN FORAGE SEED PRODUCTION

Lead Partner: Manitoba Forage Seed Association (MFSA)

Allotted Funding from PESAI: \$7000.00

PESAI Funding Spent: \$7000.00

Total Project Cost: \$13,400.00

Contributors: Manitoba Forage Seed Association

Background/Objective: MFSA, together with industry partners, are attempting to move the Forage Seed and Turf Seed Industries forward to offer a crop diversification alternative to Manitoba producers. Changes in the marketplace, as well as increased environmental consciousness have created an opportunity for the Forage Seed Industry to expand. The objectives of this project were: (1) to create an awareness of the many opportunities the Forage Seed Industry has to offer; (2) to provide updated production information on the many forage seed crops being grown in Manitoba; and (3) to promote a quality cash crop that will provide an early season cash flow for producers.

Project Activities: Activities for the promotion of the Forage Seed Industry included the design of an informative webpage, the development and printing of 3000 promotional brochures, and the development and purchase of a formal 8 foot curved pop-up display.

Results/Observations: The newly developed website contains up-to-date production and research information as well as basic industry information (<http://www.forageseed.mb.ca/>). The web-site will be promoted through "Forage Seed News", farm papers, government, etc.

The brochures will be distributed to all seed trade companies/government to be made available to producers.

The display will be used at a variety of events to promote the industry and MFSA.

Conclusions/Recommendations: The resources developed will create an awareness of the many opportunities that forage seed crops have to offer producers.



PROJECT #6: SASKATOON INDUSTRY DEVELOPMENT

Lead Partner: Stonewall and District Innovative Crops Committee (SADICC)

Allotted Funding from PESAI: \$25,000.00

PESAI Funding Spent: \$25,223.90

Total Project Cost: \$27,223.90

Contributors: SADICC, Saskatoon Industry Development Group (SIDG)

PROJECT #6A: ESTABLISHMENT OF A PROVINCIAL SASKATOON PRODUCER GROUP

PESAI Funding Spent: \$2545.27

Total Project Cost: \$2895.27

Objective: To address the need to establish a provincial Saskatoon Producer Group. SADICC previously identified saskatoons as the most suitable crop to develop for production and processing. The next phase will require the establishment and development of a group that would be comprised of new and existing growers that could play a role in increasing the production of saskatoons and in the identification and development of the marketing and processing capacity of saskatoon fruit in Manitoba

Project Activities: The group advertised and held an organizing meeting on January 11, 2006, at which directors came forth to form the Saskatoon Industry Development Group (SIDG). Since January 11 the group has met three times to address the structure and operating guidelines for the new organization. The discussions at these meetings have required the input of legal advisors and consultants to address the pros and cons of various alternatives with considerations for the short and long term.

Results/Observations: Consultations were instructive and assisted the group to make a decision on the business structure, by-laws to develop for adoption and the articles of incorporation to use. The information presented and voted on at the meetings was circulated to the members.

Conclusions: SIDG has decided to incorporate, and now have the name "Eastern Plains Saskatoons Incorporated" (EPSI).

PROJECT #6B: SASKATOON PRODUCTION MEETINGS

PESAI Funding Spent: \$4936.14

Total Project Cost: \$5886.14

Objective: The objectives of this project were (1) to expand the acreage and production of saskatoon berries in Manitoba, and (2) to develop a saskatoon-base that would support the establishment of a saskatoon processing facility in the Eastern/Interlake region.

To meet the objectives of this project, a series of meetings were held to present production and marketing information on saskatoons and promote the establishment of saskatoon orchards by interested farmers.

Project Activities: Four meetings were advertised and held on production and marketing of saskatoon berries. Meeting locations included Stonewall, Arborg, Beausejour and the South Interlake Ag Society. Presentations at meetings were made by the MAFRI Provincial Fruit Crop Specialist, an experienced saskatoon grower, SADICC, and a MAFRI Business Development Specialist.

Meetings were advertised in the Farmers Weekly Independent and 5 local and regional newspapers. A news release was provided to the media.

Results/Observations: Meetings were generally well attended with attendance ranging from 33 and 80 people per meeting. Handouts with information and sources of additional information were handed out at meetings. Those attending the meetings completed questionnaires regarding their interest and intention to pursue establishment of a saskatoon orchard.

Conclusions/Recommendations: Attendance at meetings was good and met expectations. Additional production and marketing meetings should be held during the 2006-2007 period in other areas of Manitoba.

PROJECT #6C: MODEL SASKATOON ORCHARD

PESAI Funding Spent: \$9611.24

Total Project Cost: \$9961.24

Objective: To address the need to establish a Model Saskatoon Orchard.

Project Activities: The Saskatoon Industry Development Group (SIDG) has identified the need for a Model Saskatoon Orchard to be established in the Eastern/Interlake area of Manitoba. The model orchard would be the focal point to demonstrate production practices for new and existing growers. The site would serve the need of demonstrating beneficial management practices (including integrated pest management practices and mulch cover applications at planting time), and researched production practices not adopted by growers. The orchard would also serve as a site for industry partners to conducted research and demonstrate use of production enhancing practices, including improved drip irrigation systems. Once the trees produce berries, the site would also be used to demonstrate mechanical harvesters and proper handling procedures at harvest time. It is proposed that a 3 acre site be established in 2006.

Rootstock for planting has been ordered. Lines and connectors for a drip irrigation system have been ordered. Shelterbelt trees have been ordered, in order to establish a wind break.

The model orchard will include a variety trial with 12 saskatoon varieties, a mulch demonstration (comparing 3 types of mulch to no mulch), and a drip irrigation system (comparing irrigated versus non-irrigated production).

Results/Observations: The need for a Model Saskatoon Orchard was established. A site on the Stonewall Agricultural Society grounds, just south of Stonewall, has been selected and prepared for planting in the spring of 2006.

Conclusions/Recommendations: Project to be completed spring of 2006.

PROJECT #6D: SASKATOON SEED/ROOTSTOCK FEASIBILITY STUDY

PESAI Funding Spent: \$8131.25

Total Project Cost: \$8481.25

Background/Objective: (Taken from the SADICC & SIDG Root Stock Business Opportunity Feasibility Study.) Previous work conducted by SADICC and Kelwin Management Consultants concluded that there appears to be good potential to expand saskatoon acreage in Manitoba. One of the challenges in fostering a saskatoon berry industry in the area is the choice of root stock material for the orchards. There are several varieties of rootstock available and it can be reproduced using several different propagation techniques. The selection of good root stock material is an important foundation for any saskatoon orchard and could have positive or negative impacts on the success of the expanding industry in Manitoba.

The objectives of the feasibility study were: (1) to determine the type of root stock best suited to establish saskatoon orchards; and (2) to study the feasibility of developing a root stock business that would acquire root stock on behalf of grower members. The study was identified to be important by members of the Saskatoon Industry Development Group (SIDG) who have raised questions on the commercial potential of a root stock business to service to new grower members.

Project Activities: The SIDG and SADICC met with Kelwin Management Consulting to discuss the potential for a root stock enterprise and to identify the parameters of the feasibility study. Kelwin Management Consulting was hired to complete the study. The study was completed March 31, 2006. A copy of the results was provided to SADICC.

Results/Observations: The Root Stock Business Opportunity Feasibility Study has been completed, with a recommended action plan that has seven points for the group consider. It is recommended that SIDG proceed to implement the following steps:

1. Determine root stock needs of growers' group members for the first two years and for the following three to five years;
2. Meet with Prairie Fruit Growers Association (PFGA) officials to discuss whether the SIDG could work closely with PFGA to avoid duplication between the two organizations regarding saskatoon root stock distribution;

3. Order root stock from several sources to test quality for future years;
4. Monitor the suppliers' product quality, and after sales service;
5. Explore the potential opportunities for a Strategic Alliance with one or more of the root stock producers identified;
6. Choose one or two root stock suppliers with which to develop strategic alliance arrangements and proceed to source root stock on behalf of grower members; and
7. Promote access to root stock as one of the significant member benefits of joining the SIDG.

Conclusions/Recommendations: The completed study has been circulated to the members of SIDG. SIDG will meet with Kelwin Management Consultants on April 13, 2006 to review and discuss the results and to determine the next direction to proceed.

PROJECT #7: PHOSPHOROUS UPTAKE OF PERENNIAL FORAGES RECEIVING LIQUID MANURE AS A FERTILITY SOURCE

Lead Partner: Stuartburn Piney Agricultural Development Association (SPADA)

Allotted Funding from PESAI: \$3800.00

PESAI Funding Spent: \$3800.00

Total Project Cost: \$5000.00

Contributors: SPADA, Norwest Labs, Producer Co-operators

Background/Objective: Application of manure to perennial forage is a standard practice in Manitoba. Similar to annual crops, when manure is applied to a target nitrogen level, phosphorous typically exceeds crop removal. Prior work has established differences in species dry matter production in response to varying rates of manure. Additional work is required to determine the rate of nutrient removal (e.g. % P concentration; lbs P removed per acre) of individual species.

An excellent opportunity exists to conduct this work at a site which has been previously established. A replicated, complete randomized block containing 17 species and five levels of nutrient from manure was established on a coarse textured soil type in Manitoba in 2002. Efforts will be targeted at 6 species (Tall Fescue, Reed Canary, Timothy, Meadow Brome, Bluegrass and Alfalfa) that have produced a favourable response to manure application, are common throughout the area or represent a substantial forage type.

Objectives of the project are to determine the level of phosphorous uptake and removal and also to measure the forage yield and quality, specifically in relation to nitrogen, calcium, magnesium and potassium contents, and their relationship to the potential to induce grass tetany.

Project Activities: Yield samples (7 species x 5 nutrient levels x 3 reps x 1 harvests x 1 site = 105) were collected using a flail plot harvester with integrated load cells, on June 22, 2005. Sub-samples were subsequently obtained from each yield sample and stored in a frozen state until forage nutrient analysis was conducted on samples from each treatment by Norwest labs (NIRX – wet chemistry for mineral composition).

Dry matter yield was calculated by converting the wet weight yield for the area harvested into an acreage yield, then multiplying by the dry matter content of the sample. Nitrogen removal was calculated from estimated crude protein on a dry matter basis, divided by 6.25, and subsequently multiplied by dry matter yield. Phosphorus, calcium, potassium and magnesium uptakes were calculated by multiplying mineral content percentage for each sample, by its respective dry matter yield. The tetany ratio was calculated using the ratio of Potassium to Magnesium plus Calcium.

Results/Observations: Dry matter yield results are reported graphically in Figure 1. Reed canary grass and tall fescue appear to have produced the greatest amount of biomass, and exhibited strong responses to the nutrient supplied by manure application in the summer of 2004. Kentucky bluegrass also displayed a significant response to increasing levels of nutrients, though at lower levels of production. Timothy displayed a stable level of production,

but it did not show a strong response to nutrient application. Meadow brome grass displayed a substantial yield response to limited levels of nutrient application, but reached a plateau at the 2 higher rates. Orchard grass displayed a marginal response to nutrient application. Alfalfa plots were harvested, but visual estimates indicate that less than 5% of the forage harvested from those plots was alfalfa. For this reason, results will not be reported upon further.

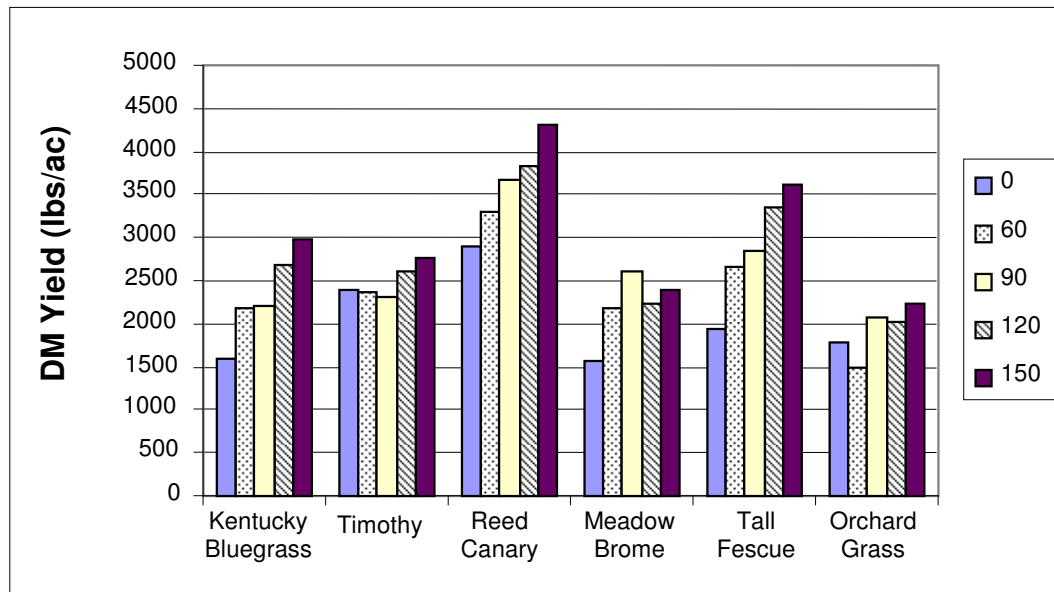


Figure 1. Dry matter yield of six grasses, receiving five levels of manure application, harvested June 22, 2005, at Sirko, MB.

Mineral uptake and subsequent nutrient removal followed dry matter yield very closely (Figures 2 and 3). Nitrogen and phosphorus removed from the system is reported as pounds of element per acre. The pattern of usage followed the same pattern as DM yield, with Reed canary > Tall Fescue > Timothy = Kentucky Bluegrass = Meadow brome grass > Orchard grass.

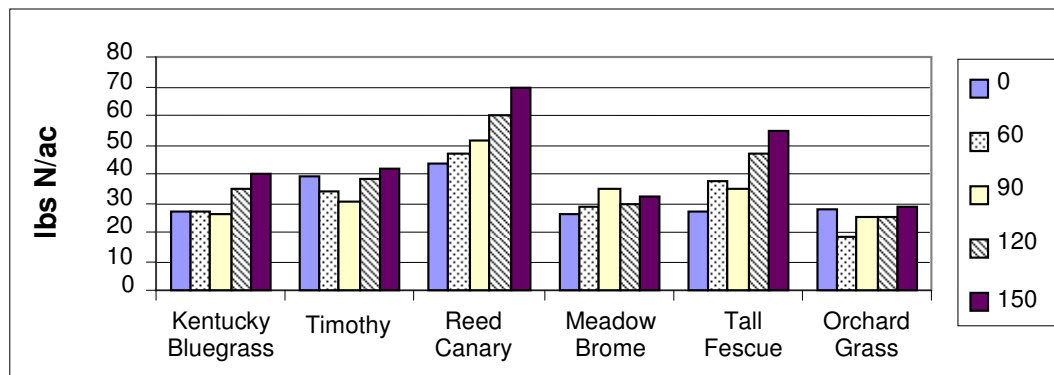


Figure 2. Nitrogen uptake (lbs N/acre) of six grasses, receiving five levels of manure application, harvested June 22, 2005, at Sirko, MB.

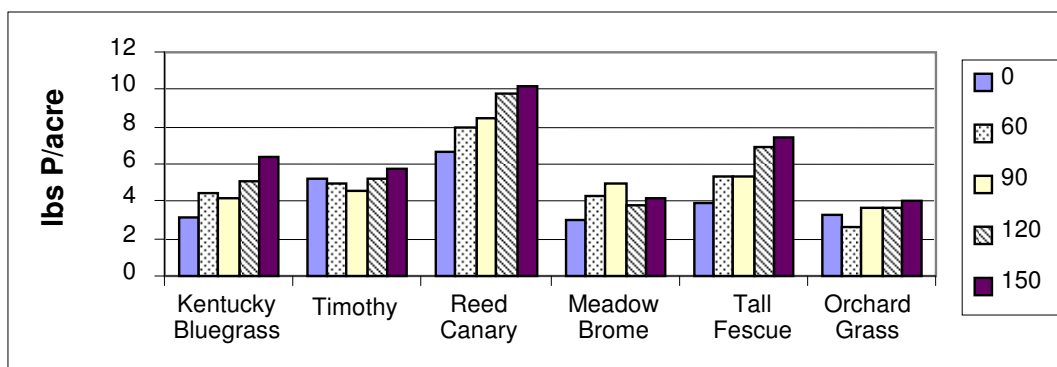


Figure 3. Phosphorus uptake (lbs P/acre) of six grasses, receiving five levels of manure application, harvested June 22, 2005, at Sirko, MB

Conclusions/Recommendations: The results of this investigation indicate that the primary factor in deciding which forage species to use will continue to be yield, as nutrient uptake and removal appears to be directly correlated to yield. Reed canary grass responds very well to manure application, generating the greatest biomass production, and nutrient uptake of the grass species in this trial. Similar statements may be made about tall fescue, albeit at lower levels.

PROJECT #8: PESAI PROMOTION AND AWARENESS CAMPAIGN

Allotted Funding from PESAI: \$800.00

PESAI Funding Spent: \$658.95

Total Project Cost: \$658.95

Contributors: Manitoba Agriculture, Food and Rural Initiatives Staff

Objective: Objectives of the project were: (1) to raise awareness of PESAI in the Eastern and Interlake areas of Manitoba through publication of a newsletter distributed to producers and other industry groups; (2) to assist the agriculture industry of the Eastern and Interlake areas in understanding the unique vision and mission of PESAI; (3) to make the agriculture industry of the Eastern and Interlake areas aware of the capabilities and resources of PESAI in the hopes of fostering partnership opportunities; (4) to make the agriculture industry and residents of the Eastern and Interlake areas aware of the many projects that PESAI is currently undertaking; and (5) to increase the membership in the PESAI group.

Project Activities: MAFRI staff assisted PESAI in designing its first newsletter. This newsletter incorporated short articles about current group activities, provided contact information and encouraged industry players to become members.

A unique and consistent “look” was developed for the newsletter in order to “brand” the group and increase its presence on the Agriculture scene.

Results/Observations: PESAI’s first newsletter was distributed to 6,410 rural mail addresses in the North Interlake, South Interlake and Eastman GO Team areas during the week of March 20th, 2006. The newsletter was emailed to MAFRI department staff and also included in correspondence sent to Agriculture Minister Wowchuk.

An announcement of the group’s first AGM was included in the newsletter, and the newsletter was included in a press kit sent to the Agriculture media as part of an effort to promote their coverage of the group’s first AGM.

Conclusions/Recommendations: Newsletter-driven enquiries are being continually received from industry stakeholders regarding the group and its forthcoming AGM. Several clients have stated their intentions to attend the AGM and take up membership. A plan has been put in place to continue this activity in the future.

PROFIT AND LOSS STATEMENT APRIL 1, 2005 – MARCH 31, 2006

	Apr '05 - Mar 06
Income	
Grant Administration Transfer	7,489.19
Grants	204,032.88
Transfer.	5,584.43
Total Income	217,106.50
Expense	
Administration	
Delivery/Freight	283.91
Grant Administration Transfer.	7,489.19
APF GST	6,039.37
Meetings	
Director Mileage	3,244.35
Director Per Diem	5,700.00
Meetings - Other	1,405.30
Total Meetings	10,349.65
Postage	678.73
Transfer	5,584.43
Administration - Other	214.34
Total Administration	30,639.62
Advertising & Promotion	14,297.99
Banking	
Service Charges	3.60
Total Banking	3.60
Equipment Purchase	120,167.93
Insurance	
Vehicle	1,021.00
Total Insurance	1,021.00
Miscellaneous.	1,539.65
Professional Fees	
Analysis	3,420.00
Consulting	7,639.25
Lawyer	856.00
Presenter	4,714.25
Total Professional Fees	16,629.50
Program Expense	22,500.00
Rental	
Facility	377.51
Total Rental	377.51
Supplies	
Research Trial/Crop Inputs	4,286.03
Supplies - Other	3,819.19
Total Supplies	8,105.22
Travel	
Airfare	283.34
Hotel	203.56
Mileage	186.00
Parking	34.52
Travel - Other	1,024.18
Total Travel	1,731.60
Total Expense	217,013.62
Net Income	92.88

BALANCE SHEET APRIL 1, 2005 – MARCH 31, 2006

	<u>Mar 31, 06</u>
ASSETS	
Current Assets	
Chequing/Savings	
Arborg Credit Union	<u>-9,317.35</u>
Total Chequing/Savings	<u>-9,317.35</u>
Accounts Receivable	
Accounts Receivable	<u>24,655.18</u>
Total Accounts Receivable	<u>24,655.18</u>
Total Current Assets	<u>15,337.83</u>
TOTAL ASSETS	<u><u>15,337.83</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	<u>13,744.95</u>
Total Accounts Payable	<u>13,744.95</u>
Other Current Liabilities	
MFSA	<u>1,500.00</u>
Total Other Current Liabilities	<u>1,500.00</u>
Total Current Liabilities	<u>15,244.95</u>
Total Liabilities	<u>15,244.95</u>
Equity	
Net Income	<u>92.88</u>
Total Equity	<u>92.88</u>
TOTAL LIABILITIES & EQUITY	<u><u>15,337.83</u></u>

F. ANNUAL REPORT 2006/07

BOARD OF DIRECTORS

Chair	Leslie Jacobson	Arborg	376-5062
Vice-Chair	Rick Rutherford	Grosse Isle	467-5613
Secretary/Treasurer	David Schettler	Riverton	378-2830
	Bob Elliot	Stonewall	467-9370
	Cliff Graydon	Dominion City	427-2589
	Herb Kletke	Teulon	886-2822
	Bruce Modjeski	Beausejour	268-3059
	John Ritz	Petersfield	738-2476
	Garry Verhoog	Woodridge	429-2230

SUPPORT STAFF – MANITOBA AGRICULTURE, FOOD & RURAL INITIATIVES

Diversification Specialist	Paula Halabicki	Arborg	642-2883
Diversification Technician	James Lindal	Arborg	641-0064
Summer Research Assistant	Heida Simundsson	Arborg	

MEMBERSHIP STATISTICS

As of the 2005/06 Annual General Meeting, Prairies East Sustainable Agriculture Initiative, Inc. (PESAI) had eight members. By March 31, 2007, an additional four individual and two corporate members joined the organization.

PROJECT SUMMARY STATISTICS

In 2006/07, PESAI received 25 project submissions. Requests ranged from \$2500 to \$17,400, for a total funding request of \$199,931.36 from PESAI. The requested funding made up 21% of the total project costs.

PESAI was able to fund 12 projects, for a total of \$75,000, or 38% of the requested funding. Amounts allotted per project ranged from \$3800 to \$10,000.

In early October, PESAI received notice that the aquaculture project they had approved for \$10,000 was declined by Covering New Ground. Alternative projects submissions were reviewed in November. PESAI chose to fund four new projects as well as allocate more funds to two previously approved projects.

In 2006/07, a total of 15 projects were funded by PESAI.

PROJECT #1: BIODIESEL PLANT STUDY AND RESEARCH TOUR

Lead Partner: Bifrost Bio-Blends, Ltd.

Allotted Funding from PESAI: \$10,000.00

PESAI Funding Spent: \$10,233.70

Total Project Cost: \$10,829.30

Contributors: Bifrost Bio-Blends Directors, Consultants and Technicians



Objective: Objectives were: (1) to increase general knowledge on biodiesel and biodiesel production; (2) to study/research existing biodiesel plants and equipment to determine the most suitable facility to use in the development of a biodiesel plant for Arborg and the Interlake region; and (3) to make contacts in the biodiesel industry specifically in the area of by-products.

Project Activities: Two trips were taken in order to meet the above objectives.

1. Three owners and one consultant traveled to a biodiesel seminar in San Antonio, Texas, to research equipment, make contacts for by-products, and take courses on biodiesel.
2. Two owners and one technician traveled to Regina to test an existing biodiesel processing facility.

Results/Observations: Invaluable information was attained from the two trips. This information will be used to determine the design of the Bifrost Bio-Blends plant in Arborg. This plant will create a market for local canola and will create rural employment.

Conclusions/Recommendations: Taking into account information gathered from the San Antonio seminar and testing of the Regina biodiesel plant, Bifrost Bio-Blends will begin construction on its plant in 2007.

PROJECT #2: SASKATOON PRODUCTION AND MARKETING MEETINGS

Lead Partner: Eastern Plains Saskatoons Incorporated (EPSI)

Allotted Funding from PESAI: \$4000.00

PESAI Funding Spent: \$3696.75

Total Project Cost: \$5996.75

Contributors: EPSI Directors, MAFRI Staff

Background/Objective: In its strategic plan, EPSI and its predecessor (Saskatoon Industry Development Group – SIDG, in association with SADICC) identified the need to expand Manitoba's saskatoon production base in order to attain a critical mass to meet the supply requirements of the identified potential commercial markets. The objective of this project was to increase public awareness and interest in saskatoon production for the expansion of saskatoon orchard acreage in Manitoba.

Project Activities: Meetings addressing production and marketing were strategically planned for four locations in Manitoba, targeting areas with soils more suited to saskatoon production, and in areas where interest in saskatoons had previously been shown. Meetings were held in St Laurent (May 23), Killarney (June 19), Minnedosa (June 27), and Morden (July 5). A field day was also held at the Model Saskatoon Orchard (south of Stonewall) in June 2007 to demonstrate planting, mulch application and equipment, and drip irrigation line installation.

Results/Observations: Meetings were advertised and held throughout Manitoba to promote saskatoon orchard establishment and saskatoon fruit production. Individuals on the agenda included a representative for EPSI, John Ritz, a saskatoon producer, Anthony Mintonko, MAFRI Fruit Crop Specialist, and a Farm Business Development Specialist. Attendance at the meetings ranged from 15 to 25. People attending the meetings have shown interest in saskatoon production, and many have signed up as EPSI members. The field day held at the Model Saskatoon Orchard had 35 people in attendance.

Conclusions/Recommendations: The saskatoon meetings held have exposed many people to the potential in saskatoon production and marketing in Manitoba. There will be new acreages planted to saskatoons in 2007 as a result of the meetings and membership in EPSI has increased.

Note: \$678.10 of funding for this project was used to cover travel expenses of one of two EPSI Directors who attended "Berry School 2007", March 9-10 in Leduc, Alberta. The event was organized by the Fruit Growers Society of Alberta (FGSA) and the Alberta Farm Fresh Producers Association (AFFPA). The agenda included 22 presentations covering topics such as choosing a site, producing a berry crop, current research in disease and insect management, marketing and orchard business management. Successful Alberta berry producers were on the agenda to share their experience and knowledge, and trade and industry representatives were on-hand to answer questions. Attending this conference has provided an opportunity to network and make many good contacts with Alberta growers and processors. Discussions with others attending allowed the EPSI Directors to get a better understanding of the development of the Saskatoon Industry in Alberta. Resource material was picked up at the Berry School displays and copies will be distributed to EPSI.

PROJECT #3: MODEL SASKATOON ORCHARD: SITE DEVELOPMENT AND ENHANCEMENT

Lead Partner: EPSI

Allotted Funding from PESAI: \$7400.00

PESAI Funding Spent: \$7574.23

Total Project Cost: \$12,749.23

Contributors: EPSI, MAFRI, Community Futures East Interlake (formerly NEICOM)



Background/Objective: In 2005/06, the Saskatoon Industry Development Group (SIDG) identified the need for a Model Saskatoon Orchard to be established in the Eastern/Interlake area of Manitoba. That year, PESAI provided funding to EPSI for the Orchard. EPSI ordered rootstock for planting, shelterbelt trees and lines and connectors for a drip irrigation system to be used in the Orchard in 2006/07.

A variety of activities occurred at the Model Orchard this year, fulfilling the following objectives:

1. **Model Saskatoon Orchard Development:** The objectives of this project were: (1) to establish a saskatoon research orchard; (2) to evaluate and demonstrate establishment practices and equipment; and (3) to demonstrate production practices, pesticide applications, and harvesting of berries. The site will serve as location to hold field days and information sessions
2. **Liquid Fertilizer Proportioner:** The objective of this project will be to evaluate saskatoon establishment and fruit production response, using varying rates of fertilizer applied with water, through installed drip irrigation lines. The project will also monitor for any potential problems with emitters in the drip lines. The results will include information on measure differences in crop response to varying levels of fertility and effectiveness of the system to deliver nutrients to the Saskatoon plants. Some applications of pesticides through the proportioner will be investigated for feasibility and effectiveness.
3. **Orchard Sign:** The objective of erecting a sign at the Orchard is to enhance general awareness of the Research Orchard and to acknowledge the financial support and in-kind contributions to the establishment of the site. The sign will also indicate to local people that the orchard is for research and demonstration purposes and not a "U-Pick".

Project Activities: The Saskatoon Model/Research Orchard was established in spring of 2006 on a cultivated area on the South Interlake Ag Society grounds located one mile south of Stonewall on Highway #236. In mid-May, a row of green ash from PFRA was planted on the north and west side of the orchard area to provide shelter. On June 5, the rootstock arrived and planting commenced on June 6. Four EPSI executive members, five MAFRI staff and one NEICOM staff assisted. In sequence, the trees were planted, drip irrigation lines were laid along the planted row, the plastic mulch was applied, and openings were cut in the plastic to allow the plants to grow. A field day was held at the site on June 8, demonstrating the tree planter and mulch applicator with about 35 to 40 people attending.

At the end of June the drip irrigation lines were connected to the main water line. The orchard was watered once a week or more, by hand, from planting until the irrigation lines were hooked up. Regular watering, at weekly intervals, was provided for the rest of summer via drip irrigation lines on the portion of the orchard that has them installed. The area that does not have drip irrigation lines was hand watered with a garden hose from spring to fall. At the end of July, the insecticide Orthene was applied to prevent problems with Woolly Elm Aphid. It was applied using a hand-held soil injector inserted into the soil at 3 points around each plant, 3-4 inches away from the tree. The site was maintained and monitored for growth and development throughout the season. Some hand weeding was necessary on the row that had no mulch. A non-competitive grass was planted between the rows this fall, and bait stations were placed in the mulched rows to mitigate anticipated mouse damage on piping and PVC.

In total, approximately 1400 trees were planted at the orchard. Tree spacing within rows is 42 to 45 inches and each row is 16.5 feet apart. The site has 14 rows of saskatoons with about 60 % of the plants watered via the drip irrigation system (Figure 1).

N

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Project 1	GUARD ROW		Thiessen	79 plants	100% irrigated	black plastic mulch					
			Smokey	76 plants	~50% irrigated	black plastic mulch					
			Smokey	73 plants	~50% irrigated	black plastic mulch					
			Smokey	76 plants	~50% irrigated	black plastic mulch					
			Smokey	76 plants	~50% irrigated	black plastic mulch					
			Northline	79 plants	~50% irrigated	black plastic mulch					
			Northline	82 plants	~50% irrigated	NO mulch					
			Northline	79 plants	~50% irrigated	white plastic mulch					
Project 2 - Variety Evaluation	GUARD ROW		Northline*	128 plants	100% irrigated	black plastic mulch					
	Northline 101	Thiessen 102	Martin 103	Honey-wood 104	Parkhill 105	Success 106	Nelson 107	Lee #8 108	Pembina 109	Smokey 110	JB30 111
	Lee # 8 201	Honey-wood 202	Success 203	Martin 204	Northline 205	Smokey 206	Parkhill 207	Thiessen 208	Nelson 209	Pembina 210	JB30 211
	Pembina 301	Nelson 302	Martin 303	Northline 304	Thiessen 305	Lee #8 306	Smokey 307	Honey-wood 308	Success 309	Parkhill 310	JB30 311
	Northline 401	Lee #8 402	Parkhill 403	Success 404	Thiessen 405	Nelson 406	Honey-wood 407	Smokey 408	Martin 409	Pembina 410	JB30 411
	GUARD ROW		Smokey	105 Plants	100% irrigated	black plastic mulch					

*To test effect of plant spacing on growth, plants in the first (west) 49 feet of the Northline Guard row were spaced 2 feet apart, about half of the spacing used in the remaining rows.

Figure 1: Model Saskatoon Orchard plot plan and details. In the Variety Evaluation section, each block consists of ten plants. Rows run from West to East.

The orchard includes two projects: the first consists of 9 rows comprised of 4 varieties, and the second is a variety comparison trial with 4 rows containing eleven varieties. Currently, the treatments being applied to the first project (9 rows) include: (1) a comparison of two different types of plastic mulch and (2) irrigated versus non-irrigated effects on growth and fruit production. These rows will also be used in succeeding years for demonstrations and trials that will evaluate various production practices. In the variety evaluation trial (4 rows), eleven varieties of saskatoons were established. There are ten plants per block of each variety, and each block is randomly replicated in each of the four rows. Two more entries will be added to the variety trial next spring. The rows in the variety trial have drip irrigation lines throughout, and they are all covered with plastic mulch with the exception of one variety that arrived late. This will be completed next spring.

Results/Observations: An assessment completed in the fall of 2006 indicated a three percent plant mortality rate, for various reasons, which is an acceptable level. Also an assessment made of the variety trial this past summer indicated three saskatoon varieties did not show any symptoms of leaf rust, whereas other varieties exhibited rust postules on the leaves. No conclusions can be made at this time until a similar assessment is completed next summer to confirm the observation.

The fertilizer proportioner was purchased and will be installed into the existing water distribution system and drip irrigation lines in 2007. The sign has been printed, with supporters and sponsors listed (Figure 2). It will be put up at the orchard this spring. Other activities for 2007 include: planting a row of evergreens on the south and west ends of the field to complete the shelterbelt, and the addition of control valves to each row of drip irrigation to provide more precise water application to each row, since soil conditions differ between the south and north end of the orchard.

Conclusions/Recommendations: The establishment of the orchard was successful. Discussions and demonstrations at the field day built confidence of new growers to proceed with their plans as they were able to assess the planting method, equipment available and the sources of supplies and rootstock available for the establishment of an orchard. Further work and additions are required to complete the establishment of the orchard for future use as a demonstration and research site.



Figure 2: Proof of sign to be erected at the Model Saskatoon Orchard in spring 2007.

PROJECT #4: EASTERN PLAINS
SASKATOON INCORPORATED
PROMOTION & AWARENESS



Lead Partner: EPSI

Allotted Funding from PESAI: \$1110.00

PESAI Funding Spent: \$1867.78

Total Project Cost: \$5122.78

Contributors: EPSI Directors

Objective: Objectives were: (1) to increase the farming and rural publics' awareness of EPSI and the potential for saskatoon fruit production in Manitoba; and (2) to increase EPSI's membership.

Project Activities: EPSI had a booth at Ag Days 2007 in Brandon. A table-top display was developed for the event as well as for future use. EPSI Directors rotated manning the display, with two people present at all times to meet with and talk to patrons. Shirts, worn by EPSI Directors, were embroidered with the EPSI logo. A brochure and reference material was passed out that addressed establishment and production of a Saskatoon orchard. EPSI was also on the "Cultivating New Ideas" Program, at which EPSI President, Craig Riddell, gave a presentation entitled "Saskatoons: Exploding on the World Market".

Results/Observations: The display at Ag Days had a constant flow of people for each of the three days. The questions and discussions addressed planting, production and harvesting of saskatoon fruit. Many brochures were handed out and new memberships were handed in or mailed by existing growers or individuals interested in becoming new growers. There was much interest shown in the display photo of PESAI's harvester. Sixty-five people attended EPSI's presentation.

Conclusions/Recommendations: EPSI's directors thought that it was well worth attending Ag Days with a display booth and presentation at the conference sessions. The contacts made and the exposure attained, with the large audience presence, were important in promoting EPSI and making Manitoban's more aware of the organization. EPSI would be interested in participating at Ag Days in the future.



PROJECT #5: NARCISSE PASTURE FORAGE SPECIES MANAGEMENT

Lead Partner: Interlake Grassland Society

Allotted Funding from PESAI: \$3800.00

PESAI Funding Spent: \$3772.43

Total Project Cost: \$6172.43

Contributors: Producer Co-operators

Background/Objective: Narcisse Pasture is an Interlake soil Class 5-6 pasture which was seeded to tame grasses and legumes in 1968. Introduced species are abundant but are sharing space with native and naturalized invading forage species. The objective of this project is to use management, fertility and or pesticide methods to demonstrate a species shift to more productive or highly palatable forage species. Forage composition will be qualified and quantified to observe species shift.

Project Activities: The Narcisse Pasture Project consists of eight 20-acre paddocks (Figure 1). These paddocks were soil tested in the early summer of 2006, and commercial fertilizer was applied, accordingly, to strengthen the legume component of the stand.

Sixty heifers and two bulls were pastured at the Narcisse site in the summer and fall of 2006. Weights were taken upon arrival and at the completion of the grazing season using PESAI's True Test XR 3000 Scale Indicator and All Flex Stick Reader. In combination, the stick reads the RFID tags in the cattle's ear, and the scale records the weight.

Pregnancy diagnosis was done to determine reproductive performance attained from the fertilized tame pasture. The cattle were rotationally grazed through the grazing season allowing the remaining paddocks rest.

Results/Observations: The average daily gain data from a fertilized, rotationally grazed, 38-year old pasture was collected. Total gain, after a 5% estimated shrink, was 9652 lbs or an average of 169 lbs per animal. This works out to an average of 1.44 lbs per day after shrink. Two red Angus bulls were used to breed the heifers and preg-checking indicated that all but four were bred. (6%)

Gain on cattle was somewhat less than previous years, which could be credited to the lack of rain for such a long period in the summer. The pasture is being managed on a basis of leave some residue behind, to allow for snow trap and the overall health of the stand.

Yield data from fertilized and non-fertilized paddocks were checked and analyzed. A fact sheet highlighting the results on this project was produced and circulated to Narcisse patrons. It has been presented at fall and winter extension meetings.

Conclusions/Recommendations: The Narcisse Pasture Project has been in existence since 1969 and still plays a role in the delivery of pasture management extension.

Canada Land Inventory Class 4, 5 and 6 soils can be very productive if well managed. Grazing is the ideal role for this soil, as this land can produce on par with soils of higher capability classes.

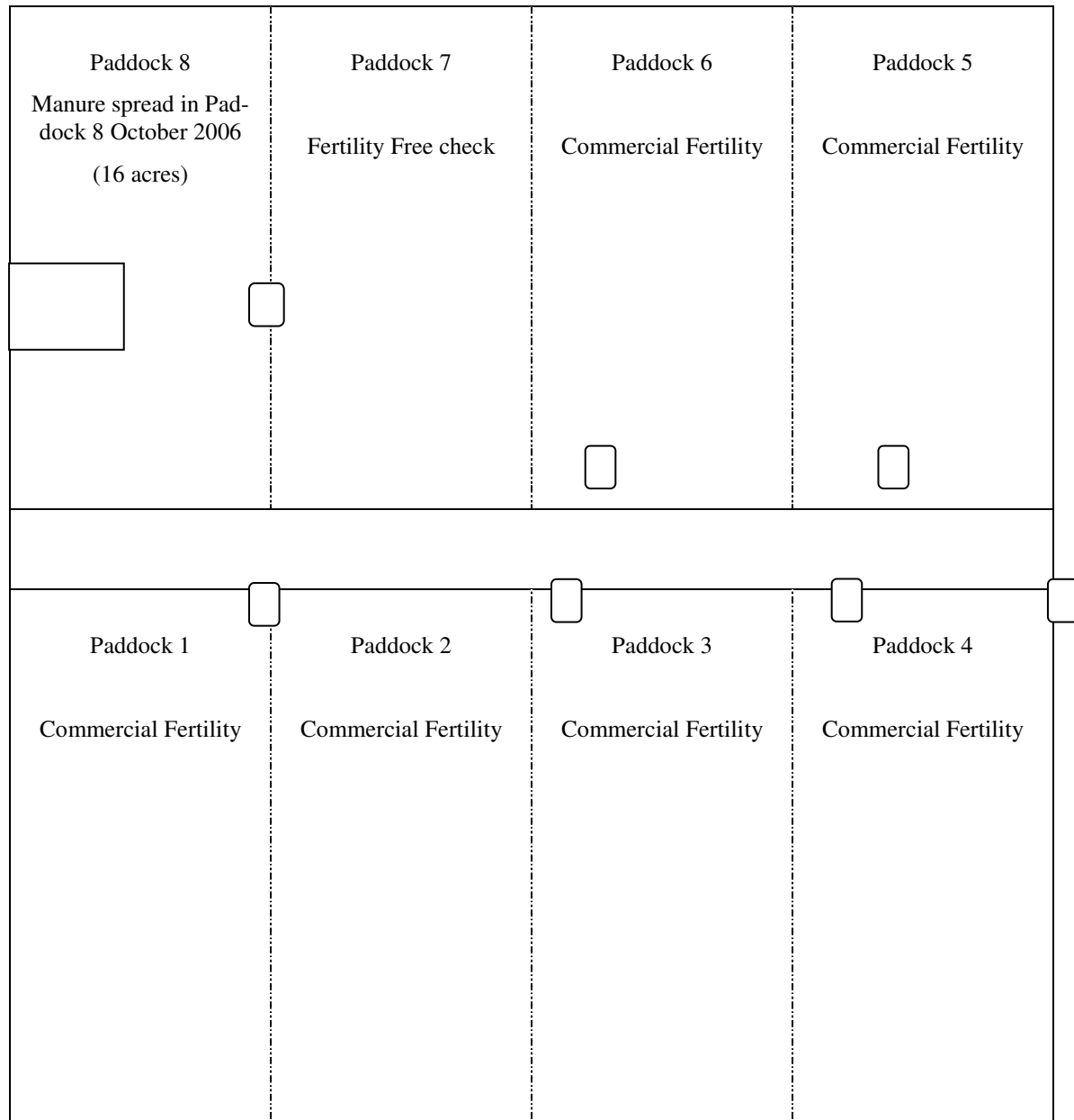


Figure 1. Layout of Narcisse Pasture treatment paddocks.

**PROJECT #6: ADVANCING THE OPPORTUNITIES II: FOOD PROCESSING IN MANITOBA:
ADDING VALUE TO YOUR PRODUCT**

Lead Partner: Lesley Bond and Jayne Kjalgaard, Business Development Specialists,
Manitoba Agriculture, Food and Rural Initiatives

Allotted Funding from PESAI: \$7500.00

PESAI Funding Spent: \$7364.54

Total Project Cost: \$8076.54

Contributors: Succeeding Generations

Objective: To assist entrepreneurs in adding value to a product and getting their food product to market. Successful small businesses help to support the building of vibrant and growing rural communities.

Project Activities: Two workshops were held in the Interlake region (Lower Fort Garry and Arborg) in February 2007. The workshops were advertised in a variety of local newspapers, and a flyer mail out was delivered to 10,400 homes in the Eastern and Interlake regions.

The workshops were a basic introduction to today's consumer trends, food product development resources, food processing regulations, food safety, marketing strategies, and funding. Presentations were delivered by MAFRI staff from the Food Commercialization Branch, Food Safety Initiative and North and South Interlake GO Teams. The Manitoba Food Processors Association discussed how they can assist in helping processors get their food products to market.

The highlight of both workshops was the entrepreneur panel discussion which featured: Danny Kleinsasser of Danny's Whole Hog & Barbeque in Stony Mountain; Caroline Toews of Minnie's Handmade Ethnic Treats Inc. and Caroline's Baking, Perogies & More in Selkirk; and Paul Spenst of Spenst Brothers Premium Meats in Winkler.

Results/Observations: There was a total attendance of 75 participants from the two food processing workshops. As a result of the workshops, there has been follow-up work with individual clients relating to food processing. There are individuals interested in participating in the Great Manitoba Food Fight and the Commercialization Station which are being held at Rural Forum in Brandon, MB in April 2007. Application forms are being completed and will be submitted soon.

The MB Co-operator was present at the Food Processing Workshop in Lower Fort Garry; as well as the Alternative Energy Conference in St. Laurent.

A few comments received from the workshops:

"Just to let you know I thought the workshop was excellent - especially enjoyed your two entrepreneurs - very positive presentations."

"Just wanted to let you know how much I enjoyed the meeting this past week in Arborg. It was especially interesting to hear the entrepreneurs talk of their experiences. The coffee

shop comments can easily de-rail the best of plans and to hear some one else has experienced this was useful by itself. The opportunities are boundless if we can filter out the static and focus on the destination. There has always been too much negative attitude about farming and agriculture as a whole. We need more opportunities to hear of success in our business in order to move forward and take chances with our own future. GREAT JOB“

Conclusions/Recommendations: Recommendation that a follow-up workshop and tour of the Food Development Centre be held in 2007/2008. Only one in seven product ideas is a winner. The number one success driver is a unique, superior product. The upcoming workshop will teach entrepreneurs the ten critical success drivers to make a product idea a winner. Participants will learn how to break the new product development process into a series of manageable and simpler stages. Getting a product to the shelf takes more than just passion. Entrepreneurs need to do their homework and to anticipate problems. (The workshop and tour is dependent on PESAI / CNG funding.)

Note: \$740.37 of funding for this project was spent on advertising for the Alternative Energy Conference that was held in St. Laurent on March 10, 2007. This conference featured presentations on: Manitoba's Approach to Alternative Energy; Wind Energy – Landowner Agreements; Vidor BEST Heating Unit, St. Laurent Biomass Project, Manitoba Hydro – Power Smart Program; and Biodiesel. The keynote address was given by John Morris from Farm Business Communications. Greetings from the provincial government were brought by Honourable Christine Melnick, Minister of Water Stewardship. Greetings from the federal government were delivered by James Bezan, Member of Parliament, Selkirk-Interlake. A portable biodiesel demonstration unit was on display at the conference, as well as 11 other commercial displays which ranged from solar, wind, alternative heating systems, etc. There were 100 participants at the conference. Participants came from as far as Thompson, Lowe Farm, Winnipeg and all across the Interlake. Recommendations have been made from several participants to host a similar event annually.



PROJECT #7: FUNCTIONAL FOOD INDUSTRY DEVELOPMENT FORUM

Lead Partner: Terry Buss, Diversification Specialist, Manitoba Agriculture, Food and Rural Initiatives

Allotted Funding from PESAI: \$5000.00

PESAI Funding Spent: \$5047.79

Total Project Cost: \$5397.79

Contributors: Dr. Curtis Rempel – Richardson Centre for Functional Foods and Nutraceuticals (RCFFN)

Background/Objective: Significant investments have been made by several levels of government to enhance the Manitoba research and development capacity for functional food and natural health product (FFN) basic research and product commercialization. Manitoba now boasts a cluster of expertise that is unmatched in Canada and even North America. However, the largest economic gains for Manitoba entrepreneurs and producers will only occur if these stakeholders are fully aware of this cluster's capabilities and how to make use of them. This key challenge has been recognized by the Manitoba FFN cluster, by MAFRI and by PESAI. PESAI recognizes that this need for communication is a key barrier.

The objective of this project is to create, in cooperation with its partners, a forum at which current and future Manitoba FFN industry stakeholders are made aware of the current Manitoba capacities to develop their industry and also to equip these individuals with the tools they need to take advantage of these capacities.

Project Activities: A multi-disciplinary team was assembled representing both the Manitoba Functional Food cluster of expertise (derived from the membership of the Manitoba Agri-Health Research Network or MAHRN) and MAFRI GO Team Staff that have ongoing working relationships with both existing and potential rural entrepreneurs. Team membership included:

- Terry Buss – MAFRI Diversification Specialist, MAHRN Network Coordinator, Beausejour
- Cathey Day – MAFRI Rural Leadership Specialist (RLS), Boissevain
- Lesley Bond – MAFRI Business Development Specialist (BDS), Ashern
- Jayne Kjaldgaard – MAFRI RLS, Teulon
- Roger Robert – MAFRI BDS, St. Pierre
- Dr. Curtis Rempel – RCFFN, Winnipeg
- Alphonsus Utioh – Food Development Centre (FDC), Portage

A tour of the facilities at the RCFFN and FDC was planned and executed. These MAHRN members were identified as the most immediately relevant to rural entrepreneurs interested in the functional food area. Emphasis was placed on ensuring the tour was as interactive and informal as possible to allow for communication flow between rural clientele and institution staff. GO Team staff targeted individual communications to current clientele who have expressed interest or are currently active in this business area. As well, communications devices such as mail outs (3880), newspaper ads and radio spots were used to ensure that any interested party was aware of the event. Both a handout DVD detailing MAHRN members and their capabilities and an accompanying pamphlet were designed for the tour and distributed to all participants. GO Team staff have followed up with clientele after the tour to solidify any product development opportunities that may have occurred.

Results/Observations: Thirty-five clientele from all over rural Manitoba participated in the tour. Because of the design of the event, MAFRI staff were able to gather individualized feedback during the event from participants. Clientele response to the tour was overwhelmingly positive with many remarking that they had not been fully aware of the capabilities available to them previous to this event. Handout material was also readily accepted and its unique format was seen as both innovative and convenient.

Following the tour, FDC staff reported that a request for proposal to develop a new food product was received from two of the tour participants who are in a joint venture. They further reported that the tour event had been the mechanism that had brought them into contact with these clients. Both the FDC and RCFFN staff expressed great appreciation to MAFRI for this opportunity to interact with potential clients and expressed satisfaction with how the event was organized and executed.

Conclusions/Recommendations: The fact that this tour was successful in linking up specific rural entrepreneurs with the FDC to work on an actual Manitoba food product speaks to its success. While ample effort was made to inform all rural residents about the event, MAFRI staff made a special effort to target specific clientele that were likely to be interested and likely to make use of the resources being shown to them. The tour itself was also designed to allow for active interaction between parties rather than simple show-and-tell.

The partnership model of MAFRI with MAHRN proved highly effective. MAHRN partners felt involved in the planning and execution of the event and so were very willing to tailor their attention and comments to the specific need of the group. MAHRN partners took great care to ensure that invited guests got the most out of their experience.

This event provides a good model for the planning of events that have a higher chance of resulting in forward progress on specific client business projects. This type of work should continue to be repeated with efforts being made to tailor the clientele group being toured through the facilities.

Note: For more information or for copies of the MAHRN pamphlet or DVD, please contact Terry Buss at 204.266.1330.

PROJECT #8: DEVELOPING AN ORGANIC DAIRY OPERATION IN MANITOBA

Lead Partner: Terry King, Michael Sykes, Rob Berry and Hilmar Johnson, Business Development Specialists, Manitoba Agriculture, Food and Rural Initiatives

Allotted Funding from PESAI: \$3300.00

PESAI Funding Spent: \$3300.00

Total Project Cost: \$13,627.00

Contributors: Livestock Stewardship Initiatives (LSI), Dairy Farmers of Manitoba (DFM), Organic Producers Association of Manitoba, MAFRI

Objective: To provide rural Manitobans practical information on what's involved with organic milk production and what potential there is to develop an organic dairy industry in Manitoba.

Project Activities: A two-day workshop was held on November 29th and 30th in Winnipeg at the Victoria Inn. Sixty-six people attended the first day and 71 people attended the second day. Three people from Ontario Bio, an Organic Milk Producer Co-op in Ontario who produce Organic Meadows milk for wholesale and retail, shared their experiences in starting the organic dairy milk industry in Ontario. On the second day Dr. Paul Dettloff covered all aspects of the USA Organic Dairy Industry from production to marketing. Dr. Dettloff is the organic dairy veterinarian with Organic Valley Family Farms which processes and markets organic dairy milk products for 545 dairy producers in 24 US states.

Results/Observations: The workshop was very successful, with an excellent turnout both days. It provided excellent resources for potential organic dairy producers. The workshop assisted the Manitoba Organic Milk Producers of Manitoba (MOMS) greatly, in convincing workshop attendees that the organic industry is real and profitable, when organic dairy producers are part of the value-chain. On both days, the speakers stressed that the organic dairy producers must not only produce the product, but they have to be involved in the processing and wholesale marketing of their products. There is more profit to be made in taking the product all the way to the retail market.

Conclusions/Recommendations: The Manitoba Organic Milk Producers Co-op (MOMS) will continue to take an active lead in developing an organic dairy industry in Manitoba. They have excellent models to follow: Ontario Bio and the Organic Valley Family of Farms. Excellent contacts were made for MOMS as a result of this two day workshop.

PROJECT #9: NOVEL FORAGE SPECIES EVALUATION**Lead Partner:** Manitoba Forage Seed Association (MFSA)**Allotted Funding from PESAI:** \$10,000.00**PESAI Funding Spent:** \$10,004.95**Total Project Cost:** \$10,287.97**Contributors:** MFSA, Pickseed, Blight Native Seed, Johnson Seeds**Objective:** To identify new forage seed species that would be suitable for the Prairies East region both in terms of agronomics and economics.**Project Activities:** The three forage seed species chosen for evaluation included: switchgrass, orchardgrass and double-cut red clover. A location near Arborg was selected and prepared for seeding (pre-seed burn-down with Round-up, followed by shallow cultivation). In early July 2006, the site was levelled with a set of harrows and seeded at the recommended rates for each species. The plot was monitored on a weekly basis for emergence and growth. In the fall a snow-catch was erected.

The research was discussed at the MFSA Annual Summer Tour (55 attendees), MFSA Provincial Forage Conference (80) and a report will be written in the spring/summer issue of the forage industry magazine, "Forage Seed News" (distributed to 2500 producer, researchers, and industry partners) and on the MFSA website: <http://www.forageseed.mb.ca/>

Results/Observations: The switchgrass emerged uniformly, while the orchardgrass and double-cut red clover did not establish well due, primarily, to lack of moisture. It is hoped that in the spring of 2007, the double-cut red clover and switchgrass will have recovered. Evaluation of the site will continue in 2007 if the species recover.**Conclusions/Recommendations:** It is very difficult to arrive at a conclusion or a recommendation until we have the opportunity to see emergence in the spring of 2007. This plot will be maintained for several years and all aspects of production will be recorded.

PROJECT #10: PRINTING & DISTRIBUTION OF GRASS SEED MOISTURE TABLES

Lead Partner: MFSA

Allotted Funding from PESAI: \$1800.00

PESAI Funding Spent: \$1800.00

Total Project Cost: \$5270.09

Contributors: MFSA, Labtronics, University of Manitoba

Background/Objective: In the forage seed industry, there is few moisture tables developed for testing seed moisture. The aim of this project is to make available to producers and industry partners accurate grass seed moisture tables.

Project Activities: Perennial ryegrass, tall fescue, and meadow fescue, were identified as crops that required moisture seed charts. Throughout the summer of 2006, a number of samples were cut from the target crops for harvest. The seed was harvested, cleaned and samples were sent to Labtronics for testing using Model 919 moisture meter. They were then forwarded to the University of Manitoba for drying and chart development. On completion of the charts, the information was forwarded to Leech Printing.

The tables were made available to producers, and industry partners. The development of these tables has been communicated through the industry magazine "Forage Seed News", as well as through the seed trade. They will be made available at the 2007 MFSA Summer Tour as well as the 2008 MFSA Provincial Conference. MFSA also plans to post them on the MFSA website.

Results/Observations: As a result of the development of accurate grass seed moisture tables, producers and industry now have the ability to manage, process, and trade grass seed products with less damage, spoiling and dockage.

Conclusions/Recommendations: Grass seed moisture tables are a necessary tool in the grass seed industry. They are a practical tool that producers require for use during harvest and to prevent overheating and spoilage during storage. Producers have expressed that they are pleased to see the tables being developed. There is a very real need to produce moisture tables for a variety of other grass seed crops as well.

PROJECT #11: MINOR USE MEETING ATTENDANCE

Lead Partner: MFSA

Allotted Funding from PESAI: \$3150.00

PESAI Funding Spent: \$3145.05

Total Project Cost: \$5845.05

Contributors: MFSA

Objective: To ensure the availability of registered pesticides for controlling weed and insect problems in the forage seed industry. It is vital that the Manitoba forage seed industry be represented at the Minor Use Meetings in Ottawa.

Project Activities: MFSA worked with the Peace Region Forage Seed Association, Alberta Irrigated Alfalfa Seed Producers Association, Saskatchewan Alfalfa Seed Producers Association, Alberta Agriculture and Manitoba Agriculture to develop a national pesticide minor-use priority list specific to the forage seed industry. This list was submitted to the Manitoba Provincial Minor Use Coordinator to be sent to Agriculture and Agri-Food Canada. The Manitoba Forage Seed Industry priority list was added to the national list containing priorities for minor-use pesticides, and Roger Burak, MFSA Research Manager travelled to Ottawa to lobby on behalf of the Forage Seed Industry.

Results/Observations: MFSA is very pleased to announce that the following chemicals were approved for the “A Priority List”. This will ensure that the registration will be fast-tracked through the system.

- Frontline – (herbicide) for cleaver control in timothy hay and seed
- Odyssey – (herbicide) control of cleavers in trefoil and red clover
- Alverde – (insecticide) control of Lygus bugs in alfalfa seed crops

The results of the Minor Use Meetings will be communicated at consultation meetings with the Manitoba Seed Trade, the MFSA Summer Tour, and MFSA website. Information will also be printed in MFSA’s publication, “Forage Seed News”.

Conclusions/Recommendations: If the forage seed industry is to be successful at ensuring necessary herbicides, fungicides and insecticides are positioned to be listed as priorities for Minor Use Registration, it is vital that an individual be present at the meetings to lobby on behalf of our producers and industry.

**PROJECT #12: SWITCHGRASS RESPONSE TO MANURE NUTRIENT AND ASH CONTENT
FOLLOWING USE AS A BIOFUEL**

Lead Partner: Stuartburn Piney Agricultural Development Association (SPADA)

Allotted Funding from PESAI: \$5000.00

PESAI Funding Spent: \$4700.00

Total Project Cost: \$4700.00

Objective: To establish fields of switchgrass in relative proximity of a processing plant, where it would be densified into a combustible fuel source for application in heating appliances.

Project Activities: 6 x 20 acre fields are to be established in south-east Manitoba for the production of switchgrass biomass. Three sites shall be located on marginal land (Class 3MW, 4, 5) and three sites on better soils (Class 2, 3). Once established, the sites will be utilized for a number of trials. The resulting biomass will be transported to Prairie Bio-Energy for densification and combustion, and for determination of residual characteristics.

Results/Observations: PESAI received their Covering New Ground funding in August, 2006. At this point, potential field sites were no longer available and the dry conditions were not favourable for attempting the establishment of a C4 grass at this time of year. Therefore seed was simply purchased and held for planting in 2007.



PROJECT #13: WFGD CO-OP LTD COMMUNICATION STRATEGY

Lead Partner: Western Feed Grain Development Co-op Ltd (WFGD Co-op)

Allotted Funding from PESAI: \$5000.00

PESAI Funding Spent: \$5025.95

Total Project Cost: \$7552.83

Contributors: WFGD Co-op, AgQuest Inc., Manitoba Rural Adaptation Council Inc.

Background/Objective: The formation of the Western Feed Grain Development Co-op has been initiated as an alternative approach to filling a void that exists for a feed wheat variety. There have been attempts by both public and private groups for over forty years to develop and license a feed wheat variety. All of these attempts were without success, largely due to the traditional approach taken by breeders that includes stringent kernel visual distinguishability (KVD) requirements for variety licensing. The cultivars developed by the WFGD Co-op will be exempt from licensing and KVD requirements through use of a farmer-run Co-op. The use of a Co-op has also allowed for germplasm sharing by AAFC, which will accelerate the efforts to produce suitable varieties.

The objective of this project is to enhance the WFGD Co-op's communications strategy. The Co-op needs to increase its visibility but, more importantly, needs to promote and communicate the reasons for alternative feed wheat variety development emphasizing the potential opportunities that such development opens up the Manitoba Agriculture industry.

Project Activities: Project activities included:

1. Advertisements in farm newspapers (Western Producer, Manitoba Co-operator, Farmer's Independent Weekly) and in show guides reached farmers and the general public.
2. Quarterly Member Newsletters were distributed by email and fax to members and companies within the ethanol and livestock industries.
3. The Co-op website was updated often to inform the general public and members of Co-op activities.
4. The Co-op's presence and presentations at trade shows, including the Crop Production Show in Saskatoon, Hog Days, and Ag Days, encouraged more agricultural producers to sign memberships which will help to fund the development of useful feed wheat cultivars.
5. An existing display was modified for the Co-op and was used at all the trade shows attended.
6. The Co-op held a Summer Plot Tour for members and industry representatives, with 35 people attending.

Results/Observations: The advertising campaign for the Co-op was successful. The Co-op membership increased by 50% and continues to grow weekly. The Co-op still requires many more members to achieve success, but the 2006 advertising campaign did increase the reach of the Co-op.

Conclusions/Recommendations: The 2006 advertising was effective as the WFGD Co-op's membership did increase. Continuous advertising and circulation of information about the Co-op is required to attract the number of members needed to sustain the wheat breeding program.

**PROJECT #14: HIGH YIELDING EUROPEAN
CANOLA VARIETIES TRIAL**

Lead Partner: Agri-Progress Inc.

Allotted Funding from PESAI: \$1110.00

PESAI Funding Spent: \$1109.62

Total Project Cost: \$2309.62

Contributors: Agri-Progress, Johnson Seeds, MFSA, WADO, and PCDF



Background/Objective: The lines and varieties used in this trial were supplied by Agri-Progress Inc., a research and seed retailing company in the Morden area. The varieties used are mainly high yielding “rapeseed” lines imported from Europe for evaluation. The use of vegetable oils such as canola as a feedstock in the manufacturing of biodiesel creates an interest in evaluating high yielding “rapeseed” varieties for industrial use. Thus, trials were conducted throughout Manitoba to determine the yield and oil quality/quantity potential of the imported varieties, when either early-spring or fall-seeded.

Project Activities: The imported canola varieties require a period of vernalization for germination, thus, two trials, with the same treatments, were conducted: **Fall-Seeded** – November 7, 2005 and **Early-Spring-Seeded** – April 27, 2006. The PESAI-led trials were located near Arborg; however the trials were also conducted at three other locations (Melita, Roblin and Sun Valley MB). Each trial consisted of 25 Canola varieties (Table 1) replicated four times in plots that were 1.2m by 6m. Treatments were organized in a randomized complete block design and seeded at a target rate of 5 lbs/ac. For comparison, the two check varieties included were 46A65 and Q2.

Plots were fertilized at seeding and sprayed with Muster and Assure at the appropriate stage for weed control. For each treatment the following measurements were taken: percent emergence, vigour, days to flower from seeding, plant height, lodging resistance, days to maturity from seeding, yield, oil content*, glucosinolates (GSL)* and protein meal* (*data collected by Agri-Progress).

All plots were sprayed with a desiccant and a product to prevent shattering prior to straight combining. The Fall-Seeded trial was harvested August 14th and the Spring-Seeded trial on August 28th. Shattering losses were minimal.

Results/Observations: In Arborg, both trials (fall and spring) survived and produced results with acceptable CVs (coefficient of variation). However, in Melita and Roblin, the fall-seeded trials did not survive the winter, perhaps due to moderate winter temperatures causing the seed to germinate pre-maturely.

The Fall-Seeded plots began emerging April 21st, while the Spring-Seeded plots were emerging May 10th. The earlier emerging fall plots were more greatly affected by flea beetles, however no control was required, as the onset of cooler weather kept them at bay. Flea beetles would have been problematic if the weather had been warmer during emergence.

The European varieties were much larger and denser than the checks, with heights averaging 150.5 versus 106.6 cm, respectively, in the fall plots, and 141.2 versus 95.3 cm in the spring plots. The European varieties also matured more slowly than the checks, on average reaching maturity at approximately 267 versus 259 days after seeding, respectively, in the fall plots, and 105 versus 98 days after seeding in the spring plots.

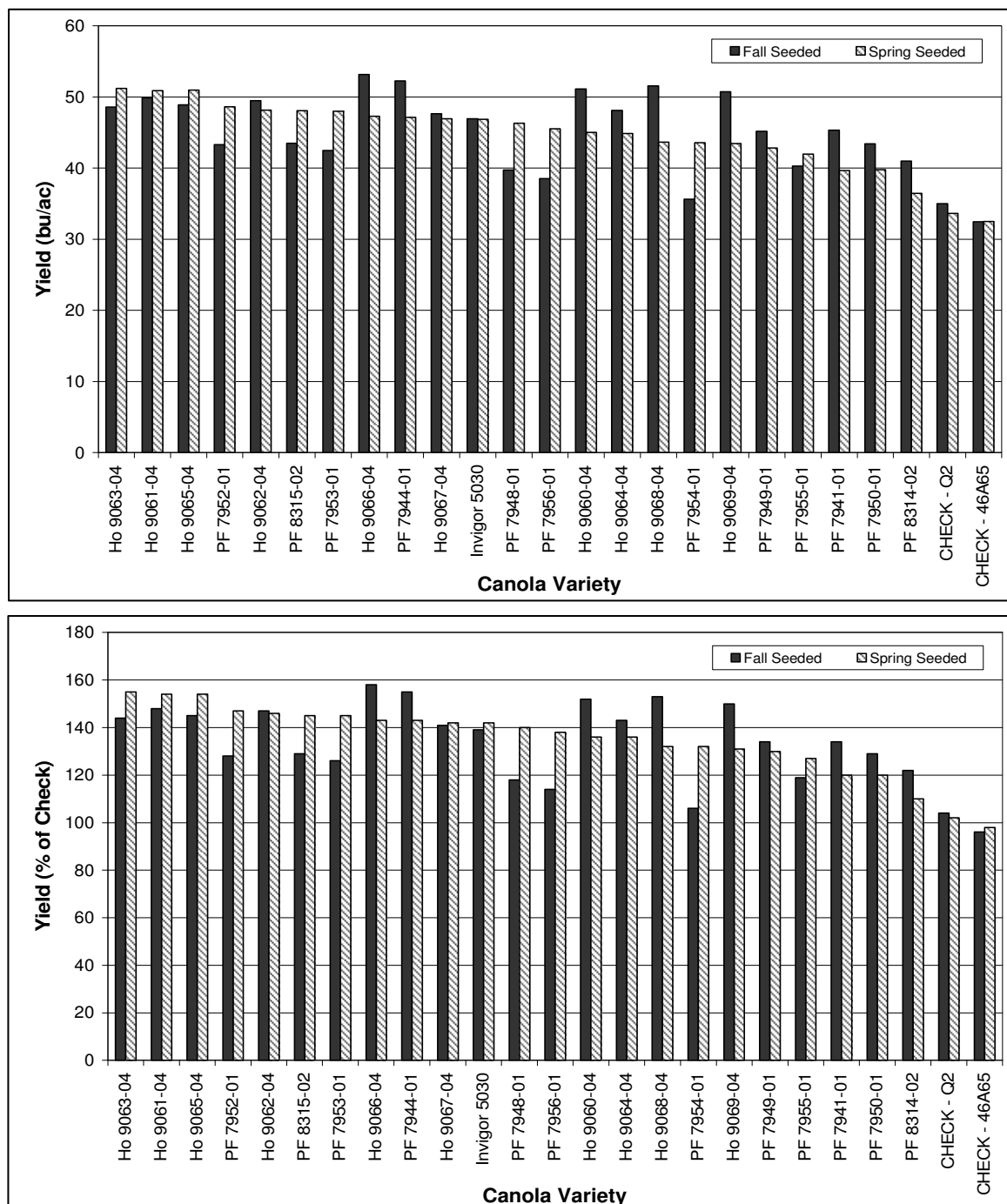


Figure 1. Seed yield of fall and spring-seeded canola trials planted near Arborg, averaged over four replicates.

Within varieties, yields differed based on timing of seeding (Figure 1), however, on average, there was little yield difference based on time of seeding. Invigor 5030 yielded 47 bu/ac in both trials, or 139% of check in the fall trial and 142% in the spring trial. The European varieties, on average, yielded about the same as the Invigor at 46 bu/ac. There were some European varieties that yielded higher than Invigor; however results were not consistent across all locations or across planting dates. All varieties yielded higher than the checks.

Oil content and protein meal was analysed by Agri-Progress and averaged over all sites. For both parameters, there was little difference between the European varieties and the checks. Thus, as seed yield increased, oil and meal content per gram of seed remained steady, resulting in an overall increase in oil and meal production.

Conclusions/Recommendations: Evaluation of high yielding canola varieties for specific uses like biodiesel is needed for economic production at the farm and processing level. The varieties tested have great yield potential, but more research is needed for consistent results.

PROJECT #15: PESAI PROMOTION & AWARENESS CAMPAIGN



Allotted Funding from PESAI:	\$6830.00
PESAI Funding Spent:	\$6357.21
Total Project Cost:	\$6357.21
Contributors:	Manitoba Agriculture, Food and Rural Initiatives Staff

Background/Objective: A PESAI Promotion and Awareness Campaign was started in 2005/06. This project is a continuation and expansion of that project, with similar objectives: (1) to raise awareness of PESAI in the Eastern and Interlake areas of Manitoba, including their mandate, capabilities and resources, partnership opportunities, and projects; and (2) to increase the membership in the PESAI group.

Project Activities: MAFRI staff assisted PESAI in all aspects of this project, including:

1. The first step was to have a logo designed for the group, to give PESAI a consistent “look” and “brand”. The slogan “Supporting ALL Agricultural Sectors” was adopted, highlighting PESAI’s commitment to the entire agricultural industry. In addition to the logo, the terms “Innovation, Diversification, Value-Added” are included on all PESAI communication to emphasize the group’s mandate.
2. Shirts and hats were embroidered with the PESAI’s logo in order to increase awareness of the group. Shirts were given to PESAI Directors and MAFRI support staff, and hats will be distributed to PESAI members at the 2006/07 AGM in April. Both items were also used in gift baskets and as door prizes.
3. PESAI shared a booth entitled “Manitoba’s Diversification Centres” at Ag Days 2007, with its counter-parts from other areas of the province: Parkland Crop Diversification Foundation (PCDF) – Parkland Region, Westman Agriculture Diversification Organization (WADO) – Southwest Region and Canada-Manitoba Crop Diversification Centre (CMCDC) – Central Region. Each group had a unique display banner developed for the event, and a handout was designed describing all four Centres. MAFRI support staff manning the booth wore PESAI shirts throughout the event.
4. PESAI’s second newsletter was designed and distributed. A new, unique and consistent look was developed based on the logo. The newsletter included short articles about what PESAI is and how PESAI serves the industry, current group activities, an announcement for the AGM, contact information, and a PESAI Membership Application Form. In the future, intentions are to have a tri-annual newsletter with distribution in spring (to announce new projects and AGM), summer (to update on projects and upcoming events such as summer plot tour) and winter (to update on projects and upcoming events such as a winter meeting).
5. A 4x8 foot aluminium sign was designed and printed for the PESAI field site located near Arborg, including PESAI’s logo and a contact phone number. Each year, a smaller, temporary sign will be developed describing the projects taking place at the site.

6. PESAI's first Annual Report was compiled and printed by MAFRI support staff, to be distributed to PESAI Directors, Members, project partners and MAFRI extension staff.
7. An announcement of PESAI's upcoming AGM was made in the Clipper Weekly, Beausejour Review, Lac du Bonnet Leader, Interlake Spectator, Selkirk Journal and Stonewall Argus.

Results/Observations: PESAI's Spring Newsletter was distributed to over 4200 rural mail addresses in the North Interlake, South Interlake and Eastman GO Team areas during the week of March 19th, 2006. The newsletter was also mailed to MAFRI department staff and included in correspondence sent to Agriculture Minister Wowchuk.

An announcement of the group's AGM was included in the newsletter, and the newsletter was included in a press kit sent to the Agriculture media as part of an effort to promote their coverage of the group's AGM.

As a result of the PESAI newsletter, six new members – four individual and two corporate, joined PESAI as of March 31, 2007.

Conclusions/Recommendations: Newsletter-driven enquiries are being continually received from industry stakeholders regarding the group and its forthcoming AGM. Several clients have stated their intentions to attend the AGM and take up membership. A plan has been put in place to continue this activity in the future.

PROFIT AND LOSS STATEMENT APRIL 1, 2006 – MARCH 31, 2007

	Apr '06 - Mar 07
Income	
Equipment Rental	5,711.25
Grant Administration Transfer	7,500.00
Grants	75,000.00
Miscellaneous Income	2,096.23
Reimbursed Expenses	24,389.88
Transfer.	10,590.41
Total Income	125,287.77
Expense	
Administration	
Delivery/Freight	415.13
Grant Administration Transfer.	7,500.00
APF GST	164.04
Meetings	
Director Mileage	1,816.70
Director Per Diem	3,250.00
Meetings - Other	991.66
Total Meetings	6,058.36
Postage	1,417.95
Transfer	10,590.41
Total Administration	26,145.89
Advertising & Promotion	15,260.00
Banking	
Loan Interest	237.72
Service Charges	50.20
Total Banking	287.92
Contract Labour	1,142.05
Equipment Purchase	3,178.02
Insurance	
Equipment	2,383.00
Liability Insurance	925.00
Vehicle	814.00
Total Insurance	4,122.00
Miscellaneous.	21,768.32
Professional Fees	
Analysis	121.98
Laywer	4,765.96
Presenter	2,950.50
Total Professional Fees	7,838.44
Program Expense	9,000.00
Rental	
Equipment	1 178.44
Facility	2,068.77
Rental - Other	116.00
Total Rental	3,363.21
Repairs/Maintenance	
Equipment	0.00
Total Repairs/Maintenance	0.00
Supplies	
Fuel, Oil, Grease, Cleanser	846.36
Office	476.37
Research Trial/Crop Inputs	10,747.38
Small tools & hardware	558.39
Supplies - Other	6,189.81
Total Supplies	18,818.31
Travel	
Airfare	708.46
Hotel	409.67
Mileage	1,755.00
Parking	8.00
Travel - Other	13,653.70
Total Travel	16,534.83
Total Expense	127,458.99
Net Income	-2,171.22

BALANCE SHEET APRIL 1, 2005 – MARCH 31, 2006

	<u>Mar 31, 07</u>
ASSETS	
Current Assets	
Chequing/Savings	
Arborg Credit Union	-10,496.75
Refunds and Dividends	60.00
Total Chequing/Savings	<u>-10,436.75</u>
Accounts Receivable	
Accounts Receivable	23,606.28
Total Accounts Receivable	<u>23,606.28</u>
Total Current Assets	<u>13,169.53</u>
TOTAL ASSETS	<u>13,169.53</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	15,544.37
Total Accounts Payable	<u>15,544.37</u>
Other Current Liabilities	
GST Payable	-296.50
Total Other Current Liabilities	<u>-296.50</u>
Total Current Liabilities	<u>15,247.87</u>
Total Liabilities	15,247.87
Equity	
Retained Earnings	92.88
Net Income	-2,171.22
Total Equity	<u>-2,078.34</u>
TOTAL LIABILITIES & EQUITY	<u>13,169.53</u>