RELATIONSHIPS BETWEEN COMMERCIAL AND SEED POTATO GROWERS IN ALBERTA

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CP Farms Itd

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First things first, who am I?

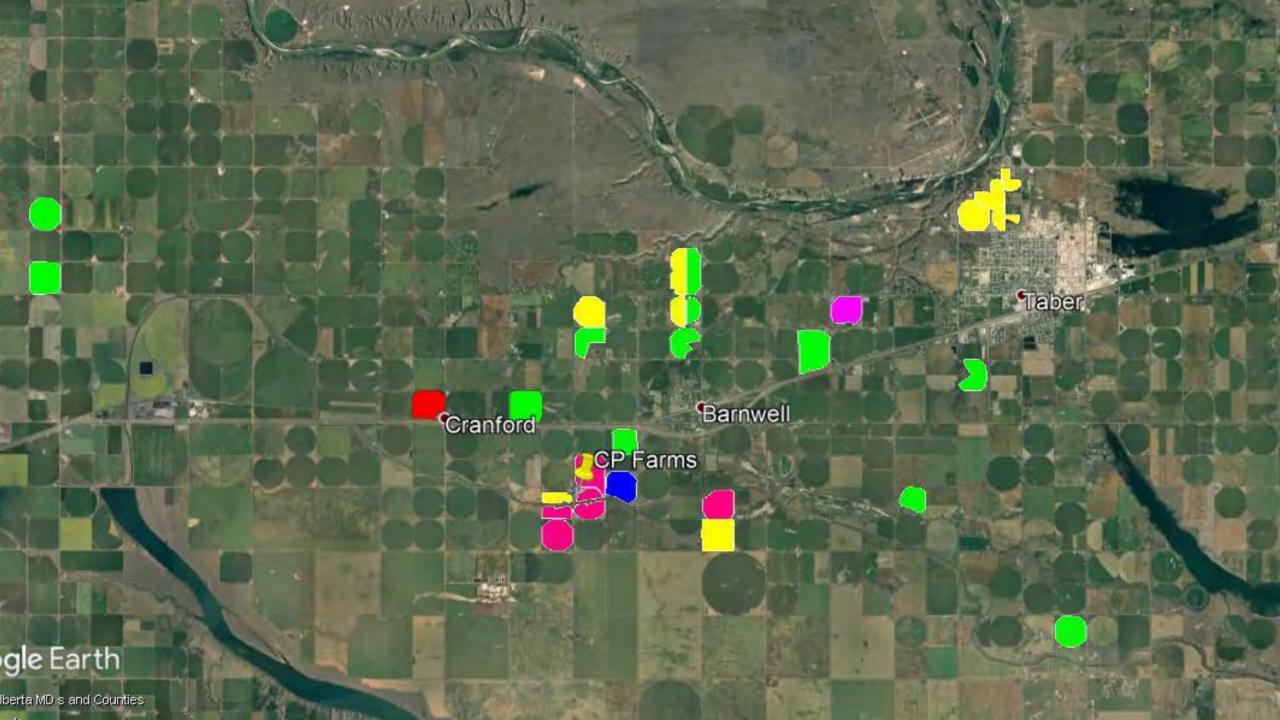
- -Immigrant from the Netherlands, grew up on a row crop farm
- -Moved here in 2000, with girlfriend, now my wife. Work visa's
- -Worked on potato farm, wife on a hog farm
- -Degrees in intensive livestock management, pigs/poultry
- -2002, Got opportunity to buy small farm, 250ac with 96.000cwt storage/
- -Perfect timing, Lamb Weston/McCain foods just build plants down the road
- -Got opportunities to expand, add storage, purchase land



- -Currently 1200ac potatoes, 750ac wheat, 130ac sugar beets, 500ac corn
- -Still grow for McCain and LambWeston, Ranger Russet, Umatillas and RB
- -450.000cwt storage on site, land base 60% owned, 20% multiyear lease, 20% annual lease
- -1 in 4 rotation by trading land with local non potato farmers (dairy, seed canola, sugar beets and such)
- -All operations done in house, except aerial application.
- -5 full time staff, 4 locals and one Dutch employee, 1-2 exchange students and 10-15 seasonal employees





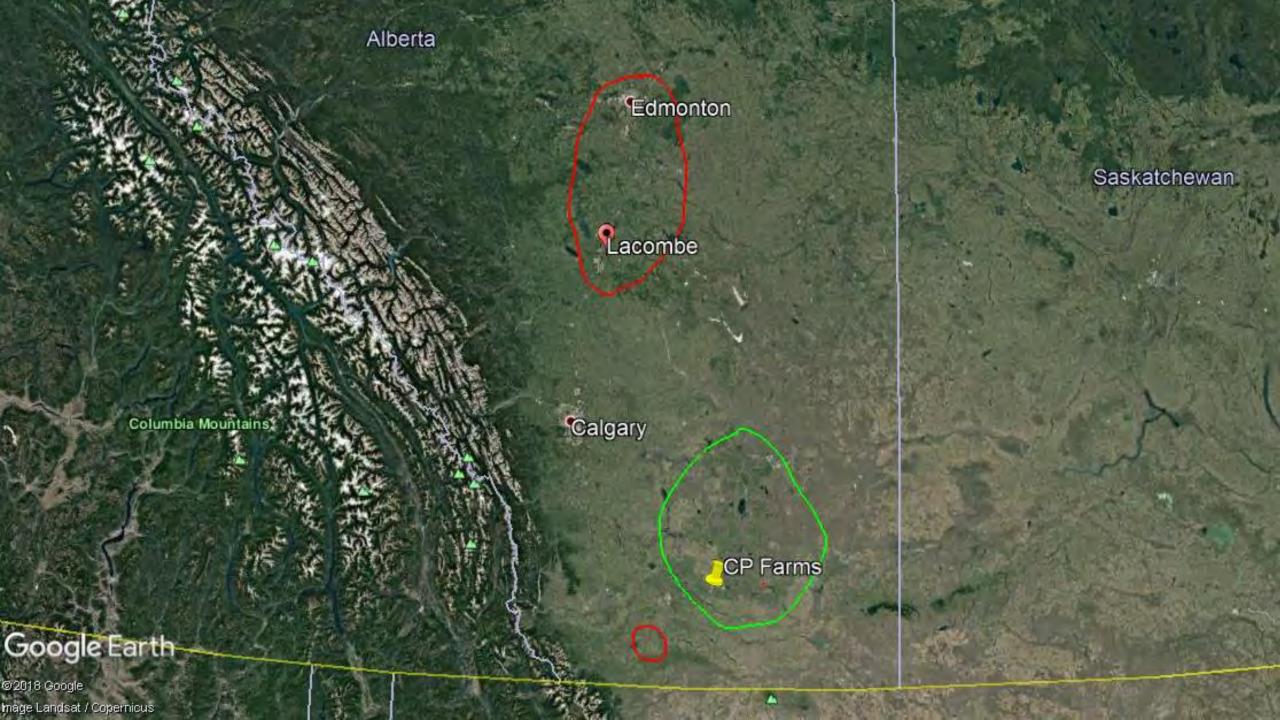


Alberta process industry

- -40.000ac give or take, most of it for LW/McCain/Cavendish, some chippers
- -About 50 growers
- -Large number of immigrants came in 1999-2005, me included
- -Economically most important sector in the south after the feedlot industry
- -All irrigated. No water, no contract
- -Process contracts collectively negotiated by the PGA.
- -Process volume near 100% contracted. Good relationship with the plants
- -New Cavendish plant coming to Lethbridge. Adding roughly 10.000ac in 2020

Alberta seed industry

- -Near 100% isolation between commercial farms and seed farms. Most dryland
- -Some farms multiply E2 seed for own use. No re-sale. Very few exceptions
- -Most seed farms north of trans Canada highway. 3-400km plus separation
- -Some seed produced on the reserve near the foothills. West winds
- -Most seed farms dedicated to seed potatoes. Very little fresh.
- -10/11.000ac of certified seed. Large portion destined for export, mainly pacific northwest and Idaho.
- -Haven't had to import seed in my farming career yet. Never been short



How does CP FARMS obtain seed potatoes

- -Currently obtain seed from 4 different sources
- -Russet Burbank direct from 3 growers, Umatillas and Rangers from broker
- -Determine seed volume as far ahead as possible, usually during our AGM in November. Grower knows what to plant for us for next season.
- -Contracts. Big numbers don't do well in verbal agreements. Write it dow

What do I expect they do for good relationships with us

- -Quality. Priority #1, then price. Quality more important.
- -Have a good disease control program. Spray for disease and insects, rogue.
- -Communicate any seed quality or quantity issues with me as soon as they arise. Hard to make adjustments the week before pickup
- -Come and visit the commercial fields and have a conversation with the customer
- -Pricing should be in line with the PGA recommendations. I want some benefits for multi year contracts.
- -Proper loading facilities

What do WE do for good relationships with our seed growers?

- -Pay on time (important) This is the time agreed upon in the contract. For us that means at our PGA golf tournament (shortly after emergence)
- -Direct relationship with the Russet Burbank growers, semi direct with the other varieties
- -Spread total RB volume over several farms. In our case 3. Spreads risk in case of crop failure or weather events
- -Visit the growers, both in season in the field to see crop health as in storage to discuss size
- -Have some type of written agreement stating quality, quantity, payment terms, pick up time and any other things you verbally agreed on

What do WE do for good relationships with our seed growers?

- -Specify in the agreement any quality incentives if you have them
- -Starting point should be at minimum CFIA standards. We use that and a size clause.
- -I use 3 year (rolling) volume contracts as much as I can. In return I expect to never be short unless it's an "act of god" and I like to pick the lots or source field before the non committed guy gets to pick his.
- -I pick up the first load at each farm myself to ensure I get what we agreed on. I only ever had to reject one lot in 18 years due to fusarium. I'm sure that is not an option for every farm here or even in AB
- -Keep records of seed received. Sanitize all equipment and trucks that are used for seed handling. It's only fair we keep our equipment clean if we ask that from them. Especially if we enter their farms.



Seed handling and receiving procedures

- -Clean/disinfect everything that comes in contact with seed. Also buildings
- -Load only on days with no frost anywhere along the route
- -Load during day light hours only.
- -Discuss a loading day/time with the grower. How many loads?
- -I like to pick up all seed within a few days so I can start pre-conditioning jt
- -All trucks receive paperwork. No overloads. Round order off to the nearest 660cwt

Seed handling and receiving procedures

- -Trucks don't stop overnight
- -Unloaded immediately upon arrival a my farm
- -Samples taken for average tuber weight, temperature, visual defects
- -Records kept. In case of problems later, at least I have paperwork
- -RB first, then the rest
- -Belt trailers only.
- -After all seed is in, start pre-condition entire seed storage to 55f

SEED EVALUATION SHEET										
					3.68					
DATE	GROWER	VARIETY	SCALE TICKET: DRIVER/TRUCK	TUBER WEIGHT C	OUNCES	TEMP	COMMENTS (quality related)	UNLOADED IN	GROWER WEIGHT	HILLRIDGE WEIGHT
March 20th		RB	338/1048 Henry #8	118.0	4.16	39	minor dry rot <2%	4	64720	63860
March 20th		RB	338/1049 Abe #3	105.0	3.70	38	minor dry rot <2%	4	67840	66440
March 20th		RB	338/1050 John #5	96.0	3.39	39	minor dry rot <2%	4	68380	67740
March 20th		RB	338/1051 George #2	114.0	4.02	39	minor dry rot <2%	4	67640	67360
March 21st		RB	338/1052 Henry #8	88.0	3.10	39	minor dry rot <2%	4	66820	65160
March 21st		RB	338/1053 John #5	104.0	3.67	38	minor dry rot <2%	4	68400	67940
March 21st		RB	338/1054 George #2	112.0	3.95	38	minor dry rot <2%	4	69040	68620
March 21st		RB	338/1055 Abe #3	110.0	3.88	39	minor dry rot <2%	4	65060	64440
March 22nd		RB	338/1056 John #5	107.0	3.77	37	minor dry rot <2%	4	66160	65220
March 22nd		RB	338/1057 Abe #3	98.0	3.46	36	minor dry rot <2%	4	64720	64320
March 22nd		RB	338/1058 Michel #2	98.0	3.46	38	minor dry rot <2%	4	62860	62420
March 22nd		RB	338/1059 Michiel #1	102.0	3.60	37	minor dry rot 2-4%	4	66860	64620
				104.3	3.68				798500	788140
March 27th		RR	3065 George #2	115.0	4.06	41	20% scab	4	69100	
March 28th		RR	3066 John #5	146.0	5.15	41	20% scab	4	67020	
March 28th		RR	3067 Abe #3	135.0	4.76	41	20% scab	4	68760	
March 28th		RR	3072 John #5	117.0	4.13	42	20% scab	4	66280	
				128.3	4.52				271160	
March 28th		UR	3074 Abe #3	126.0	4.44	41	Fusarium 2%, 20% scab	4	62020	
March 28th		UR	3075 Henry #8	140.0	4.94	41	Fusarium 2%, 10% scab	4	60620	
				133.0	4.69				122640	



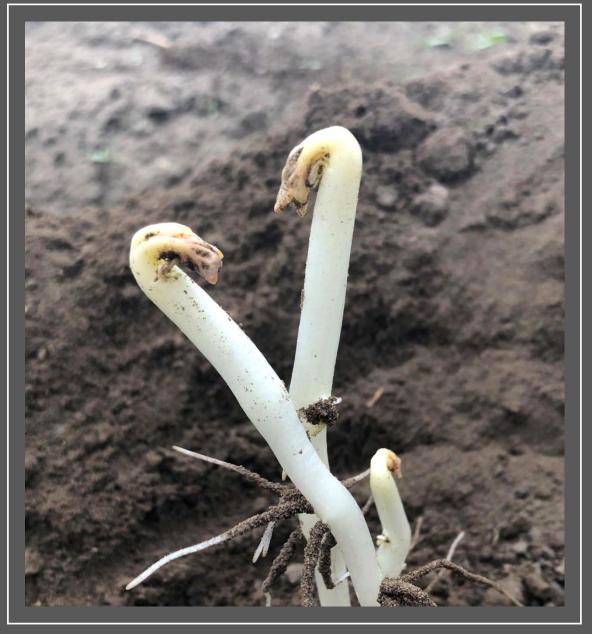




























Thank you!

Questions?

