

World's Biggest Agricultural Fair Sees Growing Interest in Saskatchewan

by Virginia Wilkinson

It had 2,168 exhibitors, 17 buildings full of exhibits and more than 340,000 visitors, but the market Agritechnica represents is even bigger.

The fair was Agritechnica in Hanover, Germany—the world's largest agricultural fair—and for a group of 15 Saskatchewan farm implement manufacturers in November it was more than they could have imagined, both because of its size and the international interest it generated in Saskatchewan-manufactured farm machinery.

Agritechnica is held bi-annually and was started in 1995. In its first year the fair hosted 1,054 exhibitors and 178,354 visitors.

"It's really unbelievable. The vast amount of farm machinery is a bit overwhelming," said Mike Dahlseide, Director of International Sales and Marketing for Morris Industries.

Morris Industries has a long history in the province. The nearly 80-year-old Saskatoon-based company began in 1929 with the development of the world's first automatic trip release, which enabled farmers working stony land to greatly increase the life of their tillage equipment.

The company continues to manufacture advanced seeding, tillage and hay hauling equipment today. Morris Industries was one of the first Saskatchewan companies to enter the eastern European markets, when it began exporting its products to Russia, Kazakhstan and Ukraine almost five years ago.

Saskatchewan Trade and Export Partnership (STEP) helped to coordinate the Saskatchewan group's 2007 participation in Agritechnica.

"It has quickly become known as the one event in the world where, over the course of seven days, exhibitors can connect with agricultural representatives from more than 80 countries," said Rob Ziola, STEP's Director of Trade Development and Manufacturing.

"We became involved in coordinating a Saskatchewan presence because our members felt it could help them break

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Photo: Right Tracks Studios

Kazakhstan bound: Mike Dahlseide and one of Morris Industries' products headed for the global market.

An organic family business

RW Organic in Mossbank is riding the boom in the provincial organic grain industry.

When Ron Wells started RW Organic in 1999, he had two goals in mind. “I always wanted my family to work with us... (and) I wanted to be able to work with farmers.”

The Mossbank company, which helps grain farmers through the organic certification process and markets the organic grain they produce, has proven successful on both fronts. Wells’ two daughters and his son, as well as his son-in-law, are all employed by RW Organic. Through their eight-year history, Wells and his team have assisted hundreds of organic grain farmers.

The company has also grown to include five facilities, located in Mossbank, Gravelbourg and Allan.

While most of the product is marketed in North America, Wells notes that the European market is also growing, thanks to a strong Canadian dollar. In fact, Wells says, the agriculture industry in general is benefiting from the current economic situation and farming is once again becoming profitable. “It’s really nice to see that there’s good prices for farmers.”

With agriculture and the organic grain industry booming, Wells has a simple plan for the future. “(We’ll) keep on keeping on,” he says, explaining that they will be adding a new facility shortly to meet with the growing demand, and he will continue to spend most of his time traveling and promoting his clients’ products. 📌



Photo: Robert Watson

Terry Sutter, at left, and Ron Wells examine a sample of hard spring wheat at Wells’ facility in Mossbank.

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into new markets, or expand their sales into European markets.”

And they were right. Dahlseide said the demand for Morris Industries’ products in Eastern Europe has increased every year for the past five years.

Brad Nelson, of Honey Bee Manufacturing Ltd, attended the event to identify whether an international market might exist for the company’s products.

They’ve been swamped with requests ever since.

“We found out too well! The demand was much more than we expected,” said Nelson.

Honey Bee manufactures draper heads and swather platforms, which attach to combines made by other manufacturers such as John Deere and Massey Ferguson. The draper heads and swather platforms work to cut the crop so that it can be easily thrashed.

Nelson wasn’t really surprised that there was a demand for Saskatchewan equipment by eastern European countries. However he was surprised at the immediacy of the need for Saskatchewan products.

“They’re looking for big equipment, the same types that are offered in North America.”

Nelson said Saskatchewan farmers are known as the best at dry-land farming. He said because of this, countries with terrain similar to ours are looking to Saskatchewan products to improve their farming practices.

“If you’ve got the right stuff, at the right time, and you can meet a need, people are interested,” he said.

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Facilitating Success: Enabling Innovators to Grow the Economy

by Virginia Wilkinson

Leading-edge technology and equipment has made the POS Pilot Plant the choice of international innovators and entrepreneurs.

For nearly 30 years Saskatchewan's POS Pilot Plant has been growing the provincial economy, by helping innovators make their dreams come true.

More than 1,000 innovators and entrepreneurs from 37 countries around the world have used the plant's comprehensive service package to turn ideas into marketable products.

The facility works with innovators using materials from such environments as the prairies, forests, oceans and deserts, as well as single cell organisms produced in fermentation tanks. It provides process development, analytical, and toll processing services for bio-based materials.

But the plant isn't just focused on research and testing. What makes it unique are the additional services it provides to its clients.


The process of moving from product concept, to marketable product can be financially challenging, especially for individuals or new companies.

The plant can source the client's raw materials from anywhere in the world, process and analyze the material, and help the client determine the technical and economic feasibility of manufacturing the material. POS then assists the client in turning that material into a products.

To speed market entry, clients can utilize POS's toll processing services to manufacture their products. Toll processing allows clients to reduce their financial risk by building

demand for their new products before building processing plants of their own.

"We are different than other facilities. Some organizations can do bits and pieces of what we do, but few can do it all," said Robert Morgan, President and CEO of the POS Pilot Plant.



"We are different than other facilities. Some organizations can do bits and pieces of what we do, but few can do it all"

Because it facilitates the movement of ideas into products, the plant has been an important economic driver in the province.

Many successful companies were born out of projects initiated at the POS Pilot Plant. Bioriginal Food & Science Corp of Saskatoon, the world's leading supplier of essential fatty acids (EFA), is one such organization.

"POS has played a significant role in our growth and continued success. They helped us achieve and maintain high quality standards on our products which assures our customers and their consumers that they are always getting the best EFA product in the marketplace," said Manny Sabares, Bioriginal's Director of Marketing.


Other notable Saskatchewan POS clients with established international sales include Canadian Emu Oil Sask Ltd, of Carlyle, Emerald Seed Products of Avonlea, Philom Bios Inc., Fytokem Products Inc., and Saskatoon Colostrum Company of Saskatoon, and Natural Plantation Inc. of Margo.

Providing research, processing and analytical services to entrepreneurs and innovation companies requires the POS Pilot Plant to continually evolve its services and maintain leading edge technologies and equipment.

Recent industry interest in extracting materials from single rather than multi-cellular organisms resulted in a decision to introduce a new extraction process at the plant.

"We're introducing a new bead mill, which will enable us to extract materials from single cell organisms such as algae, rather than having to use marine-based sources or a whole plant," said Morgan.

The mill, funded by the federal-provincial Advancing Canadian Agriculture and Agri-Food Saskatchewan (ACAAFS) program, will be in operation in the spring or summer of 2008. It will use glass or ceramic beads to disrupt the cells and extract the component materials.

"We want to continue building our role as an engine of economic growth and development, by encouraging innovation and entrepreneurial activity in the province," said Morgan. 

Provincial Update

INNOVATION PLACE AMONG CANADA'S TOP 25 SMALL AND MEDIUM EMPLOYERS

In January Innovation Place was named one of Canada's Top 25 Best Small and Medium Employers (BSME). This is the fourth year of the BSME in Canada study, supplementing the prestigious Globe and Mail Report on Business Magazine's 50 Best (larger) employers study, now entering its tenth year. For this year, more than 150 employers registered to participate, of which 70, including Innovation Place, ultimately qualified to compete for Best Employer status. Innovation Place employs over 100 people and operates 1.6 million square feet of facilities that support organizations in the advanced technology sector. Innovation Place has over 180 clients in Saskatoon, Regina and Prince Albert; those clients contribute over \$500 million annually to the provincial economy and employ 3,500 people.

\$8 MILLION GRANTED TO AGRICULTURAL RESEARCH PROJECTS

The Government of Saskatchewan awarded \$8.23 million in funding for 58 agricultural research and development projects through the province's Agriculture Development Fund (ADF) in February. The current round of ADF funding provides support for research projects undertaken by organizations such as Agriculture and Agri-Food Canada, the National Research Council, the Prairie Agricultural Machinery Institute, the University of Saskatchewan, the University of Regina, the Prairie Swine Centre and the Vaccine and Infectious Disease Organization. ADF provides funding to support institutions, companies and industry organizations to carry out research, development and value-added activities in the agriculture and agri-food sector. The results are new



knowledge, information and choices in technologies, techniques and varieties for farmers, processors and input suppliers.

SASKATCHEWAN-MANITOBA TOURISM CORRIDOR RECEIVES FEDERAL-PROVINCIAL FUNDING

The Assiniboine Corridor Development Inc. (ACDI) will receive a \$105,000 investment from the Government of Canada and the Government of Saskatchewan to implement marketing initiatives and materials to raise awareness of the region. The investment helps realize a unified vision for the people of the Assiniboine Corridor region, and will focus on activities that translate into increased economic benefits and stronger communities. Western Economic Diversification Canada (WD) will provide \$90,000 while Enterprise and Innovation will contribute \$15,000. The Assiniboine Development Corridor Inc. is an organization dedicated to attracting people year-round to the 31 municipalities and First Nation communities located around the Assiniboine River and its tributaries. The corridor runs from Kamsack and Duck Mountain Provincial Park in the north to Esterhazy, Saskatchewan and St. Lazare,

Manitoba, in the south. It includes Riding Mountain National Park. ADCI wants to develop the corridor into a year-round recreational, tourism, economic and conservation area.

WESTERN CANADA TO EXPAND BIODIESEL INDUSTRY

The western Canadian biodiesel industry will receive a marketing boost with a \$330,000 investment from Western Economic Diversification Canada. A new market development program is being implemented to increase public and business awareness and demand for biodiesel, and showcase its environmental benefits. Western Economic Diversification Canada in partnership with the Saskatchewan Research Council, the Fraser Basin Council Society, Climate Change Central, and the Canadian Canola Growers Association will implement a biodiesel market and cluster development project in all four western provinces: Saskatchewan, British Columbia, Alberta, and Manitoba. This market development project focuses on increasing demand for biodiesel through increasing knowledge about the fuel, awareness of its environmental benefits, creating helpful user information and tools and providing first-user incentives. !

CGF taps into a Saskatchewan renewable resource to manufacture biodiesel

by Bob Weidman

A Regina company is tapping into the potentially huge global demand for biodiesel fuel with some unique technology and approaches.

For generations, calls for adding value to Saskatchewan's agricultural products have been a common rallying cry. While the relative merits of specific ventures might be up for debate, Regina entrepreneur Michael Shenher is confident the Canadian Green Fuels Inc. (CGF) industrial-scale biodiesel plant is an idea whose time has come.

"I think it's really just the beginning of what's going to be a massive industry," Shenher asserted. "I think we're really on the cusp of a burgeoning economy in Saskatchewan, and renewable fuels such as biodiesel represent our opportunity to shine internationally."

Just how big is the opportunity? The world consumption of diesel fuel is about a trillion litres per year and rising, according to Shenher, as China and India start to modernize their economies. The world demand for oil and petroleum diesel cannot be met – creating major capacity for biodiesel to supplement fossil fuels.

As founder, president & CEO of Canadian Green Fuels, Shenher forged a group of private investors to buy a vacant Regina animal feed plant. After converting the dormant facility into a 9,000 square-foot plant, CGF began producing biodiesel in February 2007. Its current crushing capacity is 20,000 litres a day. Capacity will increase substantially due to the recent addition of a second processor at the McAra St. plant.

CGF is the first western Canadian biodiesel plant to be up and running, along with only two others across the

nation. Many other similar ventures failed to launch from the drawing board.

Canadian Green Fuels purchases Saskatchewan-produced oil seeds, primarily canola, crushing them to convert oil into biodiesel for conventional diesel engines. Environmentally friendly carbon-free biodiesel can burn in a petroleum blend, or full strength, in any factory stock diesel engine, replacing petroleum diesel fuel.

Adding value also means producing biodiesel for many end users – not only customers using it to power vehicle engines, furnaces and generators. CGF is strategically marketing an innovative range of byproducts of biodiesel production. Protein-rich meal from crushed oilseeds sells as a livestock feed supplement; crude canola and soy oil sell as commodities; biodiesel is also transformed into diesel fuel conditioners, additives, and lubricants.

"We believe there's a huge market for these products," said Shenher. "For example, environmentally conscious cyclists in San Francisco will be interested in buying chain lubricant made with biodiesel."

Canadian Green Fuels uses a unique continuous flow processing system, which Shenher said is superior to similar commercially available technology. The system enables CGF to move biodiesel directly from production bins to transport tankers.

"We're also unique," he added, "because we've found just the right economy of scale in our crushing and production capabilities. We're also proud that we've kept abreast of innovative technologies to make us increasingly more cost efficient."

Expansion is top of mind for Shenher and his ownership group. Plans are under consideration to build new plants in Saskatchewan, Alberta and Mexico. !



Photo: Robert Watson

Aided by CGF's unique continuous-flow processing system, President Michael Shenher is already thinking about expanding the company's operations.

Industry News



ESTEVAN REGION

- Construction on three Weyburn condo estates continues to progress. The growth in construction in Weyburn has reached a record-breaking high, as 2007 marked the city's best year for housing lot sales and building permits.
- The past year was also another banner one for construction activity in Estevan. The city issued a record high of 142 building permits valued over \$20 million. This is \$10 million over the 10-year average.

SWIFT CURRENT REGION

- The Cypress Hills Regional Economic Development Authority (REDA) is working with Grade 11 students at Maple Creek Composite High School to let them know that there are many career options for them in the Southwest after graduation. The intent is to introduce the students to the pros and cons of being their own boss, and all of the things involved in being self-employed.
- Maple Creek had a record year for development in 2007. There were 41 building permits issued, worth \$2,729,619, more than double the 16 permits issued in 2006 valued at \$583,720. Ten of the 41 permits issued in 2007 were commercial developments valued at \$857,330.

YORKTON REGION

- With the efforts of the Gateway REDA, an Alberta-based company, Canalta, plans to build a 78-room, three-storey Ramada Hotel in Moosomin near the new Trans-Canada Highway. Construction is expected to begin in late summer or early fall.

MOOSE JAW REGION

- Moose Jaw had an increase of 48 per cent in the number of people visiting the Tourist Information Centre last year and it is believed the total number of visitors to Moose Jaw in 2007 is over 100,000.
- The sale of building permits in Moose Jaw skyrocketed in 2007. Migration of people to Saskatchewan and a shortage of available lots left the city with hardly any residential building lots to sell by the end of the year. As well, homeowners enjoyed a 32 per cent increase in the value of their homes.

SASKATOON REGION

- A decision by Saskatoon-based Shore Gold Inc. and its partner will see nearly \$95 million spent on assessing its diamond-bearing kimberlites in Saskatchewan. The bulk of the money, \$86.8 million, will be spent on the Fort a la Corne (FALC) joint venture where its partner, Newmont Mining Corp. of Canada Ltd., will supply 40 per cent of the funds, or \$35.3 million.

REGINA REGION

- According to Statistics Canada, Regina and Saskatoon topped the country in price increases for new homes. In the last year, Regina's new home prices jumped 28.2 per cent.
- According to the Regina and District Chamber of Commerce 2008 economic survey, 82 per cent of respondents are expecting the level of local economic activity to increase from 2007. Labour availability was listed as a major impediment to growth in the local and provincial economies.

- Mayo Schmidt, President and CEO of Viterra, said the Regina-based company is anxious to expand. Purchases or other deals to become associated with other businesses in Canada, the U.S., and even on the larger international business scene will be considered.

PRINCE ALBERT REGION

- Below Zero Welding builds storage bins used in the making of biodiesel fuels and is currently making equipment to produce biofuels. By mid-2008 the company is hoping to begin plans on a plant near Prince Albert with the intent of having it operational by the end of next year. The company has sold equipment to many countries worldwide but only four units have been sold in Canada.

NORTH BATTLEFORD REGION

- North Battleford City Council plans to spend \$65.8 million over the next five years including \$10.5 million in projects to be undertaken in 2008. The goal is to continue building North Battleford as a regional centre as well as to improve quality of life for residents. The two biggest projects will be the new multipurpose facility estimated at \$42 million scheduled for 2009 and replacing a major storm sewer trunk. Also, 56 new residential lots will be developed. !

Ziola agrees. He said within the STEP/Saskatchewan booth at Agritechnica, companies sold everything from individual products to multiple containers of products.

He said Agritechnica provides a range of opportunities for exporters. It enables companies to identify potential markets and learn about their competitors, it allows current exporters to meet with European dealers and distributors in one location, and facilitates the development of contacts that would be nearly impossible to create without access to such an event.

"Agritechnica provides a unique opportunity, which really can't be found elsewhere, for companies looking to expand product sales into European markets."

STEP was involved in Agritechnica in both 2003 and 2005. Ziola said Saskatchewan's presence has grown at every fair, and was significantly larger in 2007 than it was in either of the previous years.

Because of the success of this delegation, STEP is expecting to coordinate the participation of another group of Saskatchewan companies at the next Agritechnica in 2009. Ziola expects the 2009 delegation to be larger and more elaborate than the province's previous delegations.

In the meantime Saskatchewan companies like Honey Bee Manufacturing are examining the European markets in relation to their markets here at home.

"Our core business is here. We want to be sure that if we do move into other markets we maintain our markets at home. But it does provide us with an opportunity to grow our business. It's exciting times," Nelson said. 🚧

Economic Indicators

EMPLOYMENT

- Saskatchewan began 2008 by setting another new job record. There were 496,000 people working in Saskatchewan in January, the most ever for that month and 2,600 more than last year. There were 5,100 more full-time jobs than in January 2007.
- The new employment figures build on a number of job creation records Saskatchewan set in 2007. Last year saw more people than ever before working in the province and the biggest jump in income in the country, with the average worker seeing his or her income increase by 6.9 per cent.

MANUFACTURING AND EXPORT

- In 2007, manufacturing shipments were up by 1.8 per cent over 2006, the fifth-best percentage increase in the nation. December 2007 over December 2006 shipments also showed improvement, increasing by 11.2 per cent, the third-highest growth rate of provinces on a monthly basis.

PETROLEUM AND NATURAL GAS

- February's sales of Crown petroleum and natural gas rights raised an amazing \$197 million in revenue for the province, more than doubling the old record of \$85 million set in 1994. This brings the 2007-08 fiscal year total to \$490 million, eclipsing the previous record of \$202 million set in 1994-95. On the strength of the hot Bakken oil play, the Weyburn-Estevan area dominated the sales activity, bringing in \$132 million. This was followed by the Swift Current area with \$47 million in sales, largely on the strength of the Shaunavon oil play. The



Kindersley-Kerrobot area was next at \$16 million, followed by the Lloydminster area at \$2 million.

POTASH

- In November 2007 Saskatchewan's potash production increased by 8.1 per cent, to 0.9 million tonnes K_2O , while potash sales increased by 15.1 per cent, to 0.9 million tonnes K_2O , compared to November 2006. In the first 11 months of 2007, potash production totalled 9.4 million tonnes K_2O , up by 34.7 per cent, compared to the same period in 2006.

HOUSING STARTS

- In December 2007 Saskatchewan's urban housing starts were up by 22 per cent, to 237 units, compared to December 2006. In 2007, urban housing starts increased by 64 per cent, to 4,784 units, compared to 2,914 in 2006. This was the highest percentage increase among the provinces.

RETAIL SALES

- In November 2007 retail sales in Saskatchewan increased by 17.1 per cent, to \$1.1 billion, compared to November 2006. In the first 11 months of 2007, retail sales totalled \$11.7 billion, an increase of 12.6 per cent, compared to the same period in 2006. This was the highest percentage increase among the provinces. 🚧



Photo: Right Tracks Studios

At just 10, Saskatoon's Pamela Warden became interested in her future career by "watching a gal put on her makeup in a billiard hall."

She developed the mantra, "Be positive. Live your dream," then set out to live hers.

At 15, the First Nations woman became the youngest Aloette distributor in Canada, a short-lived career that proved life-changing. When a makeup artist did not show up at Matrix Essentials, "someone knew I had a makeup kit and asked if I would do it," said Warden. She spent nine years with Matrix.

She won Best Makeup at the Saskatchewan Motion Picture Association Showcase 2005, and in 2007, worked with Gordon Tootoosis, Mathew Strongeagle and Errol Kinistino on "Out in the Cold." On the series "Rabbit Falls" starring Andrea Menard, Warden exercised her Special

FX skills. "It may sound morbid," she said, "but I have been enjoying making dead bodies!"

"When you are doing a bride, you are adjusting yourself to your clients' needs," she explained. "When you are doing something for film, you are creating a character."

Warden also works with sexually exploited youth at Egadz Youth Centre where she sees girls turning their lives around.

For those seeking more basic changes, Warden advises, "If you change your outfit, your hair, remember to change your makeup."

- by Shirley Collingridge

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