

Harmony Beef announces opening date

Refurbished plant will feature state-of-the-art processing technology, not seen before in Canada

BY ALEXIS KIENLEN
AF STAFF

The opening date has been pushed back multiple times, but Harmony Beef is slated to open Feb. 22 and has cattle booked for the first couple of months.

"When we start out, we'll start very slowly," said owner Rich Vesta.

The American meat-packing industry veteran bought the shuttered Rancher's Beef plant just north of Calgary in 2013 and is running it with his two sons, Jeremy and Christopher. Since then, the family has invested heavily — Vesta will only say "millions" — in upgrades and overcome numerous regulatory and political hurdles.

The plant will start slowly, he said.

"In our first week, I doubt we'll get over 50 head a day," said Vesta, who ran JBS North America, and is known for improving efficiency and profitability at underperforming beef plants. "The first day, we'll be lucky to get 20 (head)."

The plan is to move up to 120 head a day during the first month, with production to ramp up to full capacity of 750 to 800 head a day in eight to nine months.

The plant, located on 140

acres near Balzac, was opened by a group of cattle producers in 2006. But it struggled in the aftermath of BSE and closed after only 14 months.

The first six months of Harmony Beef's production will be focused on commodity beef, similar to the rest of the Canadian beef industry. The plant will not sell carcasses, and will specialize in boxed beef. From there, Harmony Beef will be moving into specialty production, the details of which Vesta will not disclose until closer to the launch date.

But a couple of things are certain. Vesta plans to market to the European Union, and after six months of production, he will offer a premium for producers following programs like Verified Beef Production Plus.

"We're not doing all this to be a commodity beef producer — that's not our goal," said Vesta. "While we will certainly have commodity beef, there will be emphasis on other things. The nice thing about this plant is it's small enough to be flexible, but it's large enough to be meaningful to some customers who appreciate these things."

"It will probably take us a year to get into the European Union because of the intricacies of that market and the supply chain that needs to be set up," he said. "We are getting EU certification



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RICH VESTA

for this plant. This is definitely on the table."

Harmony Beef already meets or exceeds most EU standards.

"The harvest side of this business was really built by Europeans," he said. "I'm not sure of any North American plants that have technology like this."

'All about incentives'

Vesta is sure he will be able to get enough Canadian cattle to meet European specifications.

"It's all about incentives," he said, although he added that he hasn't been as focused on that side of the equation because he has been working on opening the plant.

He's had clear interest from all sectors of the industry and knows the market is already there in Europe.

"It works down to economics. You can get all the cattle you need if you offer the right economics," he said.

It's taken more than three years of effort to get to this point. A major hurdle was getting a permit for a new waste water treatment plant from Rocky View County in the face of opposition from Calgary Mayor Naheed Nenshi, local developers, and residents of northeast Calgary. But the newly constructed water recycling system is state of the art, and Vesta said

he isn't aware of any other plant in the world with the same technology.

"The technology itself was relatively simple and straightforward. It was just getting the understanding of everybody concerned," he said.

The whole process ended up being more complicated than Vesta expected.

"They kept confusing our process water treatment plant with a sewage treatment plant," he said. "It's totally different. It took a lot of patience and perseverance and some capital to see this through."

The water used in the water recycling system will be the same quality level used in pharmaceutical manufacturing.

But the time, effort, and money has been worth it, said Vesta.

"It will be the finest beef plant in North America. Nothing will compare to it from the harvest side through the refrigeration we've renovated, through the fabrication, which is all brand new, to the water treatment plant. There's no other plant like it in North America, for sure."

The plant is now staffed by about 70 people, and will open with around 125 to 150 employees.

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Farm groups welcome Ottawa's research funding pledge

Agriculture Canada is giving positive signs that it will continue to invest in wheat and barley research

BY ALEXIS KIENLEN
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Federal dollars are key to barley and wheat research in Alberta. Fortunately, there are a lot of signs that the Liberal government is willing to continue investing in it.

"We've been happy with Agriculture and Agri-Food Canada," said Jason Lenz, chair of Alberta Barley Commission.

The federal government has been hiring new scientists and replacing retired ones, he said.

"In our mind, that's a real positive and something we were uncertain about even a year ago," said Lenz, who farms barley, canola, wheat, and raises cattle north of Sylvan Lake. "For the most part, they have started to live up to the promises that they have told us, that they were aware of all these retiring researchers and they would be replacing them as soon as possible."

The barley commission met with federal officials and told them it is interested in renewing agreements with its Lacombe

research station, as well as Alberta Agriculture and Forestry's Field Crop Development Centre there.

"We're actively involved in that right now and we expect that we're going to sign an agreement of some sort likely very similar to what we've had in the past," said Lenz.

There seems to be a good understanding in Ottawa that Canadian research on cereals truly pays dividends for Prairie farmers, he said.

"We are getting good messages coming back from the federal side of things," said Lenz. "It's the provincial side we're really struggling with. We're not being told what their ideas are, and what they could be proposing to come."

"The problem with that uncertainty and not being able to fund research is that once that research stops and there's a gap, it's really hard and really expensive to ramp it up again and then have it continue on because a lot of the projects that we fund could be three- to five-year projects."

The Alberta Wheat Commission is also seeing positive signs of commitment from the federal government, which contributes

more than \$25 million to wheat research clusters.

"For every dollar invested by the public, there is a dollar invested by the industry," said Terry Young, Alberta Wheat Commission director and chair of the commission's research committee. "Whatever the commodity is — whether it is barley, wheat, canola, or pulses — there are federal dollars in research. If they decided to pull out, which I don't think they will, it would make a huge difference to our industry."

"Currently the majority of varieties grown and developed in the public system is the result of AAFC and it has considerable research capacity in terms of trait development, germplasm development, you name it."

Federal research scientists also concentrate on agronomy, which makes a big difference to growers, added the Lacombe-area farmer, who grows wheat, fababeans, malt barley, and canola.

"I wouldn't say the majority of wheat research is made up of federal funding, but it's 50 per cent, probably," he said. "There are crop commissions all across Western Can-

ada that put funding into wheat research. There are also a few private dollars put in. But it is a major commitment from the feds."

The private system to fund wheat breeding is not particularly well established, and wouldn't be able to fill the gap if federal government research funding suddenly dried up, Young added.

"Yes, we can pick up some of the loss capacity, and as time goes on, we probably will be picking up more. But if they all of a sudden decided to cancel their share of wheat breeding, it would have dire consequences."

If funding was to ever become an issue, commissions would examine and research a variety of different funding models to fill the gap. A current area of concern in Alberta is the Alberta Crop Industry Development Fund, a source of provincial funding, which could shutter its doors April 1, 2018.

"Without that fund being replenished, and in a state of uncertainty, from the barley value chain in Alberta, that's a huge concern for us," said Lenz.

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