

# News from FP Genetics

## A message from the CEO



The year has started off on a very positive note. The weather has been incredible and we are now through January, so spring cannot be too far away. The AGM held in Saskatoon, SK during Crop Production Week was an outstanding success with over 40 people attending, representing over thirty of our shareholders. We thank all those who attended and participated in the meeting. We received great input on future direction and what we might do better in helping make FPG and our growers the Cereal Seed Experts.

Tradeshows have been extremely well attended and our farm customers are poised to produce another big crop in 2016. While prices have not been great there is potential to make a

good profit. Cereal decisions are beginning to be made, it appears wheat acres will be down (only marginally), while durum and oat acres may be up, so we are well positioned for another successful year. We will however need to be out there and present to ensure our varieties are chosen by farmers.

Advertising and promotion of our products are critical to our success. We have created some excellent market pull with our products and we will keep that going but also need your help. You now need to create the pull to bring customers into your business. Most are now in buy mode, so it's the perfect time to advertise your high quality seed to ensure farmers will act. To date we have had good participation in our joint advertising campaigns and the participating shareholders have seen considerable success. We are ready to help you promote your business and FPG products, so please give us a call.

Your Territory Managers are actively booking acres for seed production and we are having excellent response to

our new products, we expect to have all seed booked soon. If you have not confirmed your acres, be sure to talk to Holly-Lee, Cordon or Chas to book your acres.

Our Territory Managers have reported very good demand for Abarth peas and AC® Transcend durum with several shareholders sold out of their supplies. If you have stocks of these products, think about doing some advertising to help move your stocks. Our wheat varieties generated a lot of questions at recent tradeshows, so excellent movement is expected as farmers begin to secure their seed supplies.

All indications to date point to another great year for FP Genetics and we are committed to do whatever we can to make your business successful as well. The demand for FPG products is clearly there. Let us work together towards our mutual success.



Rod Merryweather,  
CEO, FP Genetics Inc.

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## Where we are in February

- \* PGDC Annual Meeting | Saskatoon, SK | February 23 to 25, 2016
- \* Ag Expo | Lethbridge, AB | February 24 to 26, 2016

## Elgin ND and CDC Plentiful deliver high returns for growers

FP Genetics has been working hard to provide increased earning opportunities for commercial farmers who plant our varieties. In many cases this can amount to \$50 per acre or more.

### CDC Plentiful and the Warburton Program

When growers contract CDC Plentiful through Paterson or Richardson's this year they realize the highest premiums available. The premium is \$20-30/t which is \$15/t higher than Prosper and \$5/t higher than AC Brandon or AC Elie. This clearly shows that Warburton sees our product delivering higher quality than these varieties. Warburton also increased the number of acres they are contracting in 2016 which again creates more opportunity for growers but also for our shareholders who are supplying Certified seed for the contracts. We are honored to have one of our varieties as a major part of the Warburton program and look forward to working with all participants in the program. CDC Plentiful is also becoming known as a high yielding and high quality variety that offers incremental value to all millers. It is noted for its very high gluten strength which helps to deliver high quality milling properties that all millers desire.

Elgin ND can also deliver up to \$50 per acre more than some of the most popular CWRS varieties like Carberry and Cardale in the Eastern Prairies. Several grain companies are contracting the new CWIW class varieties for customers and in fact Elgin ND is the only variety in the class being contracted by Ceres in Northgate, SK. Because they publish prices every day we will use an example from last week. At that time they were contracting Number 1 CWRS wheats with 13.5% protein for \$6.52/bushel for December delivery. On the same day they were offering \$6.32/bushel of Elgin ND with 13.0%. If we look at the yield data from this year's provincial trials we find Elgin ND yielded 19-22% higher than

Carberry, Cardale and many other popular CWRS varieties. If target yield was 50 bushels for Carberry a grower would make about \$50 net more per acre growing Elgin ND. This is why demand for this contract is high and why significant acres have been booked in the first few weeks. Ceres continue to use this contract to book as many acres as they can so encourage your customers to contract while seed supplies are available.

Many other companies including Paterson Global Foods and P & H also contract Elgin ND at various locations in Eastern SK and Manitoba. While prices vary every day the incremental yield achieved with Elgin ND still returns a grower more than CWRS varieties every time. The grain companies prefer Elgin ND over other varieties in the class because it consistently delivers about 1% higher protein. This reduces their risk when contracting with USA customers because protein must exceed 13% to avoid significant discounts being applied. So even though Faller sometimes yields a few bushels more than Elgin ND under moist field conditions, it generally falls short on protein. While the market to the USA is limited, Elgin ND is the preferred product in this class for most millers, so we expect demand to be strong and for Elgin ND to eventually replace Faller.

We still need to develop the market for CWIW class or the CNHR class as it will be known after August 1, 2016, but it appears there is some strong demand already. Elgin ND will be one of, if not the most popular variety in that class.

We also have smaller contracting programs for oats with other companies and will continue to work to create more value for our varieties in end use markets. We trust these existing markets for CDC Plentiful and Elgin ND help deliver incremental seed sales as they both require the use of Certified seed.





## New offer for farms provides Certified seed with a variable rate prescription

Decisive Farming™ announced a new offer for farms that provides FP Genetics Certified seed with its revolutionary variable rate seeding technology, making it one of the first seed packages available in the North American market that comes with a prescription.

Using variable rate seeding prescriptions removes the guesswork for determining optimal seeding rates throughout the field; allowing farms to achieve higher yields, better grade, and also enjoy easier combining.

"Variable rate seeding is about combining the right fertility package with a seed rate that achieves the optimal plant count for each specific area of the field," states Remi Schmaltz, CEO of Decisive Farming. "Our proven precision agronomy services have shown consistent ROI over 9 years of field scale trials. We're proud to say that 96% of our whole farm customers stay with Decisive Farming season after season."

When using constant rate seed applications, farmers seed at average rates for the whole field even though there are varying growing capabilities within their fields. This problem is solved when using Decisive Farming's patented variable rate technology.

As part of an effort to ensure farmers get the most from their fields; FP Genetics and Decisive Farming have created a joint offering. Farms using qualifying Certified seed varieties can try the variable rate seeding technology for free.

The aim is to help growers optimize their crop yield by utilizing leading cereal varieties delivered using Decisive Farming's Optimize RX-S variable rate seeding prescription. Alternatively, growers not setup for variable rate can choose Decisive Farming's Sure-Check GPS benchmarked soil sampling service.

"This is a significant differentiator for FP Genetics Seed Growers", says Rod Merryweather CEO of FP Genetics. "Our customers receive best-in-class precision agronomy services for free when they purchase qualifying FPG seed varieties. When you provide the best seed with a proven science-based seeding prescription, customers will succeed and keep coming back for more."

FP Genetics Certified seed varieties are available through their network of over 150 seed growers across Western Canada. Farms can find a local FP Genetics seed grower by visiting the website [www.fpgenetics.ca](http://www.fpgenetics.ca).

The sales initiative between FP Genetics and Decisive Farming provides free Optimize RX-S and Sure-Check services to growers who purchase a minimum of 160 acres of Certified seed of qualifying FP Genetics varieties.

For complete terms and conditions on the initiative, to find an FP Genetics Seed Grower, or to redeem a free service visit [decisivefarming.com/FP](http://decisivefarming.com/FP) or call 1-800-941-4811, extension 5.

### About Decisive Farming

Decisive Farming™ provides highly effective management solutions to crop farmers and agriculture service providers. Our focus is on precision agronomics, crop marketing and information management services that are geared toward farm profitability, sustainability and ease-of-use. Our services are setting the standard in quality and performance; and unlike other providers, our solutions are fully integrated through our web software (My Farm Manager™) and are supported by the very best providers in the industry. For more information on Decisive Farming, visit [www.decisivefarming.com](http://www.decisivefarming.com) and visit [www.decisivefarming.com/partners](http://www.decisivefarming.com/partners) to review our service partners.

We are excited to announce that shareholders have ability to continue to promote this exciting offer to your customer base as the Offer is extended to March 18<sup>th</sup>, 2016. This partnership is a great opportunity to provide a free value offering to your existing services at no cost or work to you the shareholder, your customer will receive a visit and work directly with the Decisive Farming Representatives to receive their free package. We encourage all shareholders to continue to promote and offer this service on new sales or existing orders of your FP Genetics varieties. All you need to do is offer the toll free number and your customers will reap the benefits.



**WHO WANTS  
MORE PROFIT?**

## Undecided Certified cereal acres means opportunities for sales focused solutions

Having spent the past couple months attending all three Provincial Seed Growers Annual General Meetings and some very busy tradeshow in all three provinces a common theme became very evident. Producers from all corners of the Prairie Provinces are still looking for that cereal acre Certified seed solution for their production systems

As we move into the month of February and the spring selling season, it's time to do a post tradeshow season push with your customers to reinforce solutions and options you have for their cereal acres. Many producers used the month of January to gather knowledge on new and existing varieties and have now narrowed their search to a few specific varieties for each cereal crop they intend to grow. They will not seek more information from seed growers and retailers to determine which of their short list of varieties best fits their farming operation. Their next step will be to determine who to call to get the specific information they need.

To be successful, seed growers need to make their business the most likely to get that call and therefore we strongly encourage shareholders to take action to be the preferred supplier. You can do this by:

1. Advertising to promote the availability of specific products at your business. This would be an ideal time to do classified advertising in key publications like the Western Producer or the Manitoba Cooperator. Remember we run product ads most weeks that provide great exposure and cost only \$50.00.
2. Direct mail or eblasts with a product brochure, ideal to promote local needs of farmers in your area and may help to target your general clientele. Farmers will be bombarded by other retail advertising and you need to make sure they see your business as the experts.
3. Radio and local paper ads can also be important.
4. Phone calls are also a great way to sell but also the most expensive, so you should focus these on high value customers.

A good in season advertising program that would feature 2-3 of your leading FPG varieties will only cost a few hundred dollars and we will look after most of the work of getting the advertising done. That might cost the retail margin you earn for one small to medium sized order and will bring you several additional customers.

Sales are about adding value and solutions where there is a need and we have seen the needs of many producers for Certified seed and value added solutions over the past couple months. Don't miss this opportunity to become the trusted source and add value to the cereal acre equation for your customer base as they look for solutions and work through the decision making process.

Discuss the best way to promote your FPG products with your Territory Manager today.

### OUR INDUSTRY - LEADING VARIETIES

<b>CDC PLENTIFUL CWRS</b> <ul style="list-style-type: none"> <li>• fusarium resistance, early &amp; high yield</li> </ul>	<b>CDC UTMOST VB CWRS</b> <ul style="list-style-type: none"> <li>• midge tolerance, high yield</li> </ul>	<b>AC MUCHMORE CWRS</b> <ul style="list-style-type: none"> <li>• semi-dwarf, great standability, high yield</li> </ul>	<b>ELGIN ND CWIW</b> <ul style="list-style-type: none"> <li>• high yield, high protein</li> </ul>	<b>AC TRANSCEND CWAD</b> <ul style="list-style-type: none"> <li>• great harvestability, excellent colour retention</li> </ul>
<b>AC SUMMIT WHITE MILLING OAT</b> <ul style="list-style-type: none"> <li>• high yield, plump kernels</li> </ul>	<b>CDC MINSTREL WHITE MILLING OAT</b> <ul style="list-style-type: none"> <li>• great yield, good nutritional qualities</li> </ul>	<b>BRASETTO HYBRID FALL RYE</b> <ul style="list-style-type: none"> <li>• higher yields, high ROI</li> </ul>	<b>AAC BRAVO FLAX</b> <ul style="list-style-type: none"> <li>• large seed, good yield</li> </ul>	<b>ABARTH YELLOW PEA</b> <ul style="list-style-type: none"> <li>• large seed, high yield</li> </ul>

## Featured Variety - CDC Alloy CWAD

CDC Alloy (tested as DT579) is a CWAD wheat variety from the Crop Development Centre. It was acquired through the 2015 tender process. FP Genetics is very excited about all of our new acquisitions. These varieties are our long term future and we believe that CDC Alloy will be a very strong addition to our CWAD portfolio. It is being featured this month to enable our shareholders in the CWAD producing areas of Saskatchewan and Alberta to develop plans to add it to their portfolio in 2016 so that you can have sufficient seed production to meet your customers' requirements at the time of the scheduled launch.

CDC Alloy offers, a superior package of agronomics, quality, and disease and pest resistance. It was developed at the Crop Development Centre in Saskatoon, SK by Dr. Curtis Pozniak. We expect that CDC Alloy will become one of the leading CWAD varieties when launched. CDC Alloy offers substantially improved yield and disease resistance. It has

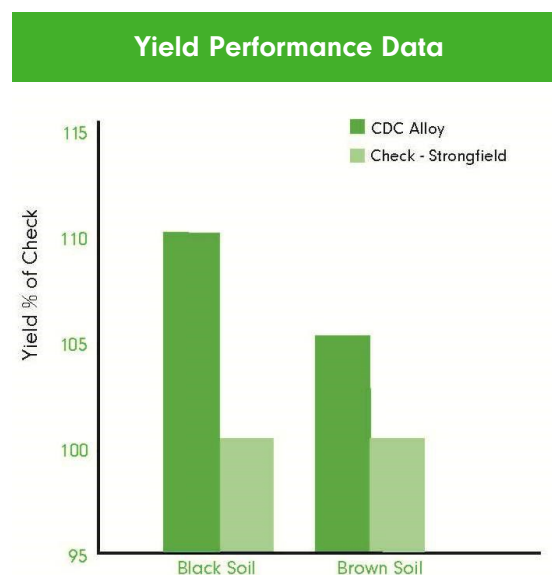
low cadmium content as well as excellent yellow pigment color, both of which are major quality considerations in the pasta market. It is rated R for stem and stripe rust and MR for leaf rust. It is MS to FHB, similar to all other CWAD varieties. CDC Alloy, like AC® Transcend, has good lodging resistance and protein content with high test weight. It will deliver excellent yield and quality at harvest time.

Uptake of CDC Alloy was very strong with 11 breeder seed plots planted in 2015 (4 in AB and 7 in SK). Subject to achieving planned seed multiplication results, the tentative release date for sales of Certified seed (demotion from Registered) is for 2018 planting season. There are several opportunities to add CDC Alloy to your seed production plans in 2016.

To obtain Select seed for 2016 planting or for further information, please contact your Territory Manager.

CDC Alloy Agronomic and Disease Data									
Variety	Yield kg/ha			Protein %	Maturity (days)	Test Weight (kg/hl)	TKW (g)	Height (cm)	Lodging (1)
	Black Soil	Brown Soil	Mean						
AC Navigator	3,798	3,955	3,937	13.1	104	77.8	43.6	80.0	2.1
Strongfield	4,561	4,283	4,346	13.9	103	78.0	41.2	95.0	2.8
AAC Cabri	4,849	4,417	4,507	13.5	104	78.8	40.1	98.0	3.1
<b>CDC Alloy</b>	<b>5,020</b>	<b>4,513</b>	<b>4,615</b>	<b>13.3</b>	<b>104</b>	<b>79.0</b>	<b>40.9</b>	<b>97.0</b>	<b>2.4</b>
Lodging: scale of 1 - 9; 1 is best									
Zone 1 sites: Brandon and Indian Head									
Zone 2 sites: Pense; Saskatoon; Swift Current; Stewart Valley; Lethbridge; Scott; Moose Jaw; Vulcan & Vanguard									
Source: Registration data 2013 - 2014 inclusive									

CDC Alloy Disease Ratings					
Cultivar	Stripe Rust	Leaf Rust	Stem Rust	Bunt	FHB
AC Navigator	R	R	R	R	S
Strongfield	MR	R	R	R	S
AAC Cabri	R	R	MR	R	MS
<b>CDC Alloy</b>	<b>R</b>	<b>R</b>	<b>MR</b>	<b>R</b>	<b>MS</b>



Source: Registration data 2013-2014 inclusive

## Work the safety plan

Cordon Geisam, Territory Manager - SK, Corporate Safety Officer

As you read this article, plans and focus on the upcoming spring seeding season are occurring. Have you thought about the plan for maintaining and improving your safety program this year? We've discussed engaging your family members and/or employees to begin or improve the "Culture of Safety" on your operation. Let's review a few topics that can be discussed with all parties involved:

- \* Auger safety, lifting and moving, fill fuel when motor/exhaust are cool, vapor or spillage flash fires happen more easily than you might think;
- \* Are guards and shields in the seed plant in place;
- \* Safety supplies, good time to check inventory of disposable coveralls, mask cartridges, carbon filters for the sprayer, protective chemical gloves, face shields, rubber boots, and eye wash jugs/station;
- \* Safety kits, make sure they are stocked and in all appropriate motorized equipment;
- \* Fire extinguishers, good time to go check that they are charged and in place on all equipment and in the appropriate buildings.

Now that we've discussed physical items, what about our mind set and the mind set of everyone involved. Take a moment to schedule a meeting. In my experience, while running a corporate farm, I always found it best to make the safety meeting a big deal. A few ideas to help run a productive safety are:

1. Schedule a monthly meeting and insist on mandatory attendance;
2. Provide a lunch;
3. Create an agenda that hits key topics;
4. Make time for open dialog;
5. Let employees or family members take ownership on new safety programs or procedures for your organization.

Let's move the bar up a little each year with our safety programs just like we strive to bring better genetics to commercial agriculture every year.

