

Saskatchewan has strong pulse

Regina ABEX winner expands to Aberdeen

By Murray Lyons SP Business Editor

The lentil processing and exporting firm that was Saskatchewan's ABEX Business of the Year in 2004 is expanding its reach across Saskatchewan.

SaskCan Pulse Trading Inc. of Regina is buying a 55 per cent interest in Horizon Seed Processors of Aberdeen, located 30 kilometres northeast of Saskatoon.

Murad Al-Katib, SaskCan's president, says the acquisition will broaden SaskCan's reach into the midsection of the province's grainbelt and increase the company's capacity to export red lentils, its main product. It will also add to the company's processing capacity in field peas.

Horizon was founded 10 years ago by Al Ber-

deen-area producers and the company has become known for cleaning and selling pedigreed seed for pulse crops as well as doing "toll processing" for other companies, according to plant manager Merlin Shields.

The Aberdeen facility has a staff of seven.

Al-Katib says the cost of buying into the company will not be revealed, but he says SaskCan is prepared to spend substantial dollars on colour sorting to improve the Aberdeen facility's export capacity to meet European standards. It also plans to do lentil splitting in Aberdeen within a year.

"We've already procured some equipment so we'll be doing a processing plant upgrade immediately and then we are starting design on the splitting phase," he said.

SaskCan sells split red lentils to Turkey and other Mediterranean countries. Its main processing plant in Regina uses proprietary equipment imported from Turkey to split and oil the red lentils before export. SaskCan's Regina plant was built with equity from Al-Katib's partners in Turkey. As well, the company

also brought over skilled immigrant workers from Turkey who were familiar with operating the splitting equipment.

Speaking from Washington, D.C., where he was attending meetings aimed at seeing how the U.S. Farm Bill might affect the future direction of pulse crop prices, Al-Katib says the company is better positioned now to buy crops from pulse producers from the central part of the province's grainbelt, or the "north of Davidson" area as Al-Katib describes it, referencing the town in which he grew up.

"North of Davidson has become an important part of our business and we're sourcing as much grain out of that region as we do out of Regina," he said.

Besides its investment in the Aberdeen facility which would now be called SaskCan Horizon, SaskCan also has invested in a processing facility in Rosetown that used to be owned by Saskatchewan Wheat Pool.

While keeping an eye on whether U.S. subsidies are changing the price outlook for pulse crops, Al-Katib says one promising sign for Saskatchewan is that farmers are seeing the value of growing red

lentils instead of the green Laird lentils that previously dominated the province's lentil acreage, even though 80 per cent of world consumption is in red lentils.

"Our forecast is that red lentils will be the largest class of lentils grown in Canada this year and that's the first time in history," he said.

"When we started splitting reds (Saskatchewan) was growing just 20 per cent red lentils," he said. "This year, some forecasts are up to 50 per cent reds. That's a real transformation in the industry."

SaskCan and other processors and exporters have sold out the red lentil crop from Canada in the past three seasons. Al-Katib says his company has specialized in splitting the red lentils, but it also has buyers for whole red lentils which the Horizon facility can help serve. As well, the Aberdeen facility gives SaskCan inroads into the pea industry.

"We're now in the heart of pea country," he said. "We're now splitting a significant amount of peas at our Regina plant, so peas are becoming as important to us as lentils."

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Table with columns: Name, Volume, High, Low, Last, Chng. Lists various companies like AADC, ACREX, AMI Res, etc.

WORLD EXCHANGE

Table with columns: Currency, In Cdn \$, In Cdn \$. Lists various international currencies like Argentina peso, Australia dollar, etc.

COMMODITIES

Table with columns: Commodity, Price, Change. Lists various commodities like Soybean meal, Live cattle, etc.

WHEAT

Table with columns: Variety, Price, Change. Lists various wheat varieties like RPM Tech, REX Eng, etc.