

Global leader hits home run with Saskatchewan plant

By Paul Martin

At the age of 30 Murad Al-Katib is about eighteen months into his first job as a chief executive but he's enjoyed a lifetime of success already.

At first blush, Murad Al-Katib a product of Davidson whose career has included a stint at the World Bank in Washington D.C. has been lucky, given the confluence of events that have landed him where he is but as they say – you have to be good to be good

In a province where the majority of the population can trace its roots to a land across an ocean, Al-Katib's pedigree is somewhat rare – his heritage is Turkish – but that too played a role in landing his current role.

Al-Katib is a shareholder director, president and chief executive officer of SaskCan Pulse, the largest red lentil splitting facility in the Americas. Located just outside Regina, the plant is the one of the best arguments Saskatchewan can advance for development of a much larger agricultural product processing industry. When the Crow Rate was extinguished eight years ago, arguments for a new focus on processing began to surface. After all, the argument went, the elimination of the freight subsidy meant it would cost prairie farmers more money to get their product to market. Consequently it would make more sense to process the products here – add the value in Saskatchewan before shipping it – and reducing the impact of freight charges as a percentage of the selling price.

While the argument got plenty of attention, Saskatchewan lagged behind other provinces in the chase for a larger value-added sector. In the five years after the Crow's demise, for example, for every dollar invested in value-



added processing in Saskatchewan, Alberta was investing \$2.3 dollars and Manitoba was \$2.5. In short, Saskatchewan began falling farther behind.

SaskCan Pulse stands as a potent counterpoint to Saskatchewan's slow pace of value-added growth,

SaskCan was put together by a Turkish company called Arbel – the largest importer and exporter of lentils in Turkey which is the world's leader in the lentil trade. Six years ago, Saskatchewan was a bit player in the lentil market but **changing** market conditions drove our farmers to lentil production in a hurry. Within five years, a testament to the quality and adaptability of Saskatchewan producers, this province was the world's leading

exporter of lentils and the dominant feature on Arbel's radar screen.

Our dominant role as an exporter also changed Arbel's business strategy. As our output rose, the firm was importing large volumes of Saskatchewan lentils, processing them at Turkish plants, and then moving them into consumer markets. But they found that roughly 20 per cent of the raw product being shipped to Turkey for further processing did not meet table market standards. Consequently, they would ship 100 per cent of the volume from Saskatchewan to Turkey but could re-sell only 80 per cent. They decided it made more sense to Process in Saskatchewan, eliminating the cost of shipping waste or substandard product. It also strengthened Saskatchewan's feed

industry. Now, the discarded product is available to domestic processors and livestock producers.

The result was a new plant for Saskatchewan and a world-class player in pulse processing, pasta making and wheat milling, establishing its first foothold in the province.

Arbel had the technology and the market. That's why the venture made so much sense," Al-Katib continues. "Saskatchewan was a logical choice because of things like the Crop Development Centre. New varieties and research make producers more profitable, makes processors more profitable. We have to be here. We have to be where the research is because it's all about competitive advantage."

Al-Katib, who was working as a finance expert with the Saskatchewan Trade and Export Partnership (STEP) and fluent in the Turkish language, was assigned the task of shepherding Arbel-Canada's single largest customer for red lentils in 2000 - around the province. It didn't take long, though, for him to be lured from STEP to

Arbel as chief executive with responsibility for putting the Saskatchewan operation together.

His local connections resulted in Saskatchewan investment funds Crown Ventures Fund and SGGF (Saskatchewan Government Growth Fund), both under the management of Crown Capital Partners joining Arbel in the joint venture. He shopped around the Regina area and identified a site in the Sherwood Rural Municipality.

The plant's been in operation for less than a year but already it's clear that Arbel's vision was correct. The facility is running flat out, providing a new market for Saskatchewan lentil producers and processors and being named a finalist for Saskatchewan's Exporter of the Year on the strength of selling to 21 different countries in its first year.

The growth has been so dramatic, the firm ran short of capacity in a matter of months prompting Al-Katib to negotiate a deal for the Grand Coulee Processor plant west of Regina. Grand Coulee, part of a Manitoba-

based firm that ran into financial trouble, was sitting idle. A couple weeks ago, Al-Katib finalized a lease agreement to take over the plant's operation. Called SaskCan West, the new plant gives the firm some badly needed capacity and the ability to offer the full line of Saskatchewan pulse crops to its clients.

"I have never been this busy in my life. I just love it," Al-Katib bubbles about the firm's success. "We haven't even had a grand opening yet."

The firm added five new employees at the first plant in the past month and expects to add another five this month.

"And with the new plant, that's just going to grow," he says, unable to hide smile.

