

- 1- Rahr Malting Canada processes on average 2.5-3% of total Canadian barley crop yearly.
- 2- A few years ago, there was a major disconnect and a lack of transparency that made it challenging for growers to understand the malt barley industry. This lack of knowledge was partly because of marketing campaigns that did not send the proper market signals to the farm-gate.
- 3- Rahr noticed that barley acres were starting to retract at an accelerated pace because of the poor market signals and lack of transparency.
- 4- Rahr made the realization that the malt barley sector was moving to a “speciality crop” mode.

#### **Rahr change of direction year 2010: Act of God**

- 5- Rahr realized that in order to be successful, we would need to collaborate closer with growers to secure supply. However, “Act of God” is a big risk to a grain trader and an un-comfortable phrase in the industry.
- 6- Rahr began providing more information to growers to ensure their continued market access. For Act of God insurance, Rahr began to require certified seed use as well as records that document the crop. These records consisted of seed treatments, fertility, herbicide, fungicides and seeding and harvesting dates.
- 7- These crop records were the first step in having a better understanding of grower practices. With these records in place, Rahr made the move to requiring certified seed every second year to put some much-needed royalties back into barley breeding programs. This was a big gamble, since Rahr was unsure of the farm-gate response we would get since at the time, competitors were not requiring this information.
- 8- The program was officially launched in 2010, at which point Rahr started to receive this information voluntarily from all growers. By 2012, Rahr realized they needed to move forward and further build on this program.

#### **Best Management Practices: year 2012**

- 9- One of Rahr’s industry observations in building this program was that some growers were recognized as stronger malt barley growers, and had high acceptance rates to record keeping than others. We wanted to understand why that was.
- 10- We needed technical help in understanding this, so we hired our own agronomists who offered free coaching to growers / paid crop consultants to anybody who was part of our grower network.
- 11- This was our turning point in this process. Information sharing became a two-way process between Rahr and the grower, and the feeling of “partnership” was becoming more mutual.

#### **The Pay-Off**

- 12- Our work truly started to pay off when Rahr became the first Malt Barley Company in Canada to have a total traceable barley program from field to bottle.

- 13- Rahr's Traceability and sustainability programming was noted by numerous major craft beer accounts. Some of these accounts offered three-year pricing contracts to secure individual growers in the program.
- 14- Building on this momentum, a major Global Retailer questionnaire was forwarded to our attention because one of our customers/accounts sells craft beer through their retail chain. Ultimately, by growers providing records on sustainability and best management practices through Rahr, this global retailer continues to shelve product that came through Rahr to this present day.
- 15- Today, in continuing to build relationships with growers, Rahr holds numerous annual meetings where small grower groups and their paid crop consultants are invited to our facility for tours and Q/A sessions so we both understand and better foster our industry.
- 16- The goal here is to connect with brewers, craft brewery owners and management, while building access to farm-gate tours and relationships with barley producers.
- 17- This relationship has completely evolved to the point where growers feel ownership in the craft movement that is quickly growing throughout North America.