



I.D.E.A. Industry Update - April 19, 2002

Two Canadian Grain Futures Firms to Merge

Futures and options broker Benson Quinn-Growers Marketing Service (BQ-GMS) says it will absorb PCTS, another major futures commission merchant.

BQ-GMS is half owned by Agricore United. PCTS was an independent subsidiary of Agricore Cooperative's export arm, XCAN Grain Ltd.

PCTS was formed in 1992 as a wholly owned division of XCAN, which, as representative of the three Prairie pools, was at one time Canada's largest exporter of canola, flax, malting barley, peas and several other special crops. In 1998, PCTS became an independent subsidiary of XCAN.

Reduced Fertilizer Use Expected in Saskatchewan

Saskatchewan Agriculture, Food and Rural Revitalization in its second crop report of the season says fertilizer use in the province this year is expected to decrease 8% compared to 2001.

Areas reporting the largest drops in expected fertilizer use are the mid central area, down 16%; the west central area, down 15% and the north central area, down 11%.

SAF reports regional shortages of seed for oats, yellow mustard as well as some types of forage seed.

Spring run-off has been well below normal to non-existent in most areas of the grainbelt. Most farm dugouts are at below normal levels and are not expected to recover unless heavy precipitation develops in the weeks and months ahead.

Strong winds last week produced soil erosion in southwestern and west central regions.

Livestock producers in central regions of the province are expressing concern as provincial and PFRA pastures are expected to decrease the number of cattle allowed in.

Alberta Opens Ag Call Centres

Alberta Agriculture's new Ag-Info Centre is part of the department's new restructuring plans that centralizes specialists into hub offices, and leaves fewer agriculture advisers in smaller centres.

The call centre officially opened April 2, but not all the staff is at the centre. When it is complete, eight crop, beef and forage specialists and four resource agents will deal with questions

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or direct farmers to the correct program.

The centre is part of the changes to Alberta Agriculture's industry development sector to focus more on innovation, crop diversification, agri-food and livestock investment. Instead of farmers being able to talk to staff in the 51 offices across the province, services are centralized through 18 hub offices and 16 of what the government calls co-locations.

Removing the day-to-day farm questions from local district specialists will allow others to work more closely with farmers who want to look at diversification, said Horvey.

New Farm Transfer Program in Manitoba

A new Manitoba program is designed to ease the transfer of family farms between generations and to help young and beginning farmers get started in the business.

Agriculture minister Rosann Wowchuk said the "Bridging Generations" program represents a commitment to meet changing needs of family farms and rural communities. It offers options such as direct loans, loan guarantees and lifestyle transition loans, and will be administered by the Manitoba Agricultural Credit Corp. It provides a guaranteed annual income to retiring farmers who qualify and low-cost mortgage financing to young and beginning farmers.

The maximum loan amount available to individuals is \$400,000. The maximum for corporations and partnerships is \$800,000. The maximum loan to be guaranteed is \$250,000. For retiring farmers, Bridging Generations can offer loans of up to \$200,000 for limited purposes.

Farm Bankruptcy Numbers May Not Give True Picture

Farm bankruptcies in Western Canada have dropped by a third in the last 10 years, falling to 133 in 2001 from 331 in 1991. However, Keystone Agricultural Producers president Weldon Newton said the numbers can be deceiving, since they don't take into account the number of producers opting to quit farming before they go broke. Terry Hildebrandt, president of the Agricultural Producers Association of Saskatchewan, said there are fewer young people choosing to farm, and it is the beginning farmers who often have the greatest financial risk.

Forty-eight Saskatchewan farms that were devoted exclusively to crop production declared bankruptcy in 2001, which was three-quarters of all farm bankruptcies in the province that year. In Alberta, the highest number of farm bankruptcies was also among producers growing only crops. Last year's drought in much of Alberta and parts of Saskatchewan compounded the challenges for grain and oilseed producers. In Manitoba, farm bankruptcy numbers for 2001 were similar between crop producers, livestock producers and those with mixed farms.