



I.D.E.A. Industry Update - April 26, 2002

STATSCAN Predicts Big Acreage Shifts

The much anticipated seeding intentions report has been released by Statistics Canada. Based on a survey of more than 12,000 Canadian farmers in late March, some substantial acreage shifts are expected.

Farmers will be moving away from spring wheat. Acreage is predicted to fall to 19.48 million, a drop of 11 percent. Some of those acres will be going into durum and barley. Durum acreage is expected to rise by 7 percent to more than 5.9 million acres. Barley is expected to increase by 8 percent to nearly 13.4 million.

According to the survey, canola acreage will be basically steady with just a 1 percent increase to 9.87 million. Canadian soybeans, on the other hand, are expected to see a 6 percent decline to about 2.4 million. Another major oilseed crop, flaxseed, is expected to see a 3 percent acreage decline to less than 1.6 million acres, despite reasonable price prospects for the upcoming year.

Oat acreage is expected to increase 16 percent to more than 5.7 million. Many analysts have been expecting a much larger increase based on record high prices this year and the strong demand for oat seed.

Despite dry conditions over much of western Canada, the acreage of summer fallow is expected to continue its decline. The STATSCAN prediction is for just over 11 million acres, a decline of 6 percent from last year.

Within the specialty crops, lentil, dry pea and chickpea acreages are expected to drop, while edible beans, canary seed, mustard and sunflower are rising.

The predicted drop in lentils is 20 percent, down to 1.432 million acres. Many analysts are surprised by this, with some believing lentil acreage will actually increase.

Despite strong prices over the past year, dry pea acreage is expected to fall by nearly 10 percent, down to 3.24 million acres.

The predicted decline in chickpeas is 23 percent which would drop them from 1.24 million acres last year to 960,000 acres this year. Many observers are expecting an even steeper decline.

Edible beans are expected to rise by nearly 30% to 506,000 acres.

Following a year of strong prices, canary seed acreage is expected to increase by 39 percent to 506,000. This would be the largest canary seed acreage since 1998, but many analysts believe the increase will be even larger than what STATSCAN numbers show.

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Mustard prices have also been very good and the expected acreage of mustard is going from 338,000 acres last year to 710,000 acres this year - an increase of 110 percent.

The prediction for sunflowers is an increase of 30 percent to 217,500 acres.

Of course, seeding intentions can change due to changes in the market outlook and spring seeding conditions. Even the seeding intentions report itself can affect seeding decisions.

The STATSCAN estimate of actually seeded area will be released on June 28.

Feds Pledge \$21 Million to Reduce Farm Greenhouse Gases

The federal government will spend \$21 million over five years to promote improved farming methods to reduce greenhouse gas emissions.

Most of the money - \$15.4 million - will go to industry groups to help them educate farmers about better livestock feeding and manure handling, improved use of fertilizers, and better soil management through crop rotation, tree and shrub planting along waterways, and reduced tillage.

A scientific advisory panel will receive \$2.7 million to measure and verify the impact of improved practices on the emission of greenhouse gases, including carbon dioxide from tilled fields.

The remaining \$2.9 million will pay for a management committee to advise on best practices and national communications.

Fix Agriculture to Fix Saskatchewan Economy says APAS

The Agricultural Producers Association of Saskatchewan (APAS) is asking what the provincial government plans to do to turn around Saskatchewan's economy.

APAS is quoting the recent figures from Statistics Canada showing Saskatchewan's economy was the only one in the country to post a decline in GDP. It dropped by 1.9%, the first drop since 1992.

According to APAS President Terry Hildebrandt, approximately 8 out of 10 jobs in Saskatchewan can be attributed directly or indirectly to the agriculture industry.

"This year's budget cuts in the agriculture portfolio clearly show that agriculture and economy are not important," says Hildebrandt. "The changes to crop insurance and the termination of the Property Tax Rebate Program have increased costs for producers when our economy is in recession and we may be faced with another drought."

Hildebrandt says that since agriculture is the economic driver in the province, fixing agriculture would fix 90% of the problems.