



## I.D.E.A. Industry Update - December 6, 2002

### **I.D.E.A. Fourth Annual General Meeting and Conference**

Plans for the I.D.E.A. Fourth Annual General Meeting and Conference are underway. Our format will be similar to last year, with a host reception just prior to the CAAR convention on February 10, 2003, followed by our Annual General Meeting and Conference on February 11, 2003. Mark your calendars and plan to attend.

### **20 Groups . . . A Way to Build Your Business**

20 Groups are groups made up of people in the same industry with similar goals, philosophies, and desires to improve their businesses. They were initially set up a number of years ago with 20 dealers as one group. Time and circumstance has whittled them down to three to seven members, but three to four seems to be ideal. Groups exist in a number of industries, including farm machinery, manufacturing, auto dealers, etc.

Members meet twice per year. The winter meeting is the big one, covering about two days of work plus some extra days of fun. At this meeting, goals are set for the next 12 months. A second meeting in July consists of a quick two-day update and social event. 20 Groups assist to identify weaknesses and strengths in many facets of each others' businesses, critique each other and discuss solutions.

Members challenge each other to do certain things that are essential for their businesses to grow and prosper, and dealerships are rewarded or penalized based on their performance (usually who buys dinner and golf rounds).

20 Group meetings are run by a professional moderator who keeps things on track, compiles data and circulates all correspondence. These moderators are all over Canada and costs vary, depending on how serious the group is and how detailed the information required is.

The agendas remain the same, with only some variances, depending on what the group wants.

For instance, a few John Deere dealers have formed a 20 Group, but never spend any time on John Deere issues. The entire meeting is set up to improve their businesses, profitability and sustainability.

Most of the sharing occurs at the meetings, but there is peer support throughout the year. Financial information, margins, and expenses are all shared freely, but kept confidential; a big part of these talks is to generate more margin and effectively keep costs in line, to ultimately build businesses that will survive in the long run.

***If you are interested in starting a 20 Group, or need more information, call Glen Hill, I.D.E.A. Director, at 306-882-2600.***

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### **NISA is Creditor-Proof**

The decision of the Manitoba Court of Appeals that NISA accounts are inaccessible by creditors is good news for farmers, says Keystone Agricultural Producers.

"It has been our understanding since NISA was first introduced that the balance is creditor-proof, and we have supported the federal government in their appeal of the original court decision," says KAP president Weldon Newton.

The court based its decision on the fact that non-triggered NISA accounts are considered intangible. The funds remain accessible to creditors only when triggered, the account is collapsed, or the farm declares bankruptcy.

"We recognize that producers do have an obligation to pay their suppliers, however this decision allows them to manage their NISA account to best suit the needs of the farm," says Newton.

He says because of this decision, farmers gained even more trust and acceptance of the current NISA program.

### **Stats Can Releases New Production Estimates**

Statistics Canada has released its November estimate of field crop production. It was the third consecutive year of declining production.

While western Canadian farmers experienced one of the worst production seasons in the last 25 years, eastern Canada had a relatively normal growing season with adequate precipitation and average yields.

According to the Stats Can survey, western Canadian spring wheat production dropped to 10.0 million tonnes versus 15.7 million tonnes in 2001. The ten year average is 19.8. Western Canada seeded 18.8 million acres, but only harvested 78 percent or 14.6 million. Usually, 98 percent is harvested.

Spring wheat yields in western Canada slipped to 25.1 bushels per acre compared to the ten year average of 33.0. Yields in Saskatchewan were particularly poor at 20.1 bushels per acre versus the ten year average of 30.1.

Canola production is pegged at 3.6 million tonnes, versus 4.9 last year and the ten year average of 6.3. Only 73 percent of the canola acreage was harvested. Yields were much better in Manitoba at 28.8 bushels an acre than in Alberta (20.6) and Saskatchewan (18.5). Overall, the western Canadian yield drop was modest, down to 22.3 bushels an acre compared to the ten year average of 24.4.

Barley production was 7.3 million tonnes, down 43 percent from the ten year average.

Durum was one crop that bucked the trend. With 15 percent more seeded acreage, lower abandonment than other crops and better yields than last year, production is estimated at 3.7 million tonnes. This is an increase of 24 percent as compared to last year. Durum is grown mainly in the southern prairies where moisture conditions were better.

Farmers planted 3.2 million acres of field peas, but harvested only 2.6. Yields dropped to 19.3 bushels an acre from a high of 40.1 in 1999 and a five year average of 32.3. Total production is estimated at 1.4 million tonnes, down from 2.0 million in 2001 and 2.9 million in 2000.

Chickpea production is down by a whopping 66 percent. Seeded area declined from 1.2 million acres in 2001 to 545,000 in 2002. Harvested acreage fell from 1.2 million to only 380,000.

Eastern Canada had much improved conditions over 2001. Canadian grain corn production increased 8 percent to 9.1 million tonnes as a result of yields going from 105 to 112 bushels an acre. Soybean yields rebounded to 33.9 bushels per acre versus 22.7 last year. Manitoba soybean production hit a record 109,000 tonnes, a three fold increase from the previous year.