



I.D.E.A. Industry Update - June 14, 2002

Feed Grains Down, Oilseeds Up in New Price Forecasts

The Market Analysis Division of Agriculture and Agri-Food Canada has come out with new supply and demand estimates for grains, oilseeds and specialty crops. Included in the analysis are price predictions for the upcoming crop year.

Off-board feed barley prices are expected to decline significantly from the prices seen in the current crop year. The average price is expected to drop by about 40 cents a bushel.

Oat prices are expected to fall sharply due to increased production in Canada, the U.S. and Europe. That decline could be a dollar a bushel according to the Ag Canada analysis.

The outlook is more positive for oilseeds. The average price for canola is expected to rise slightly, supported by higher world vegetable oil prices. Flaxseed prices are also expected to be somewhat stronger, due to reduced supplies.

On field peas, the average price is forecast to drop by 10 to 15 percent. On lentils, the average price over all grades and types is expected to increase by about 5 percent.

Both mustard and canary seed prices are expected to see declines of about 30 percent. However, that would still mean very strong prices for these commodities.

The full reports can be accessed from the Agriculture and Agri-Food Canada website, at www.agr.gc.ca/policy/winn/biweekly/English/index2e.htm.

Lots of Water Across Southern Prairies

An amazing amount of water has been generated by this week's high levels of precipitation across the southern prairie region.

Manitoba Conservation's River Forecast Centre says serious flooding continues throughout much of the southeastern part of the province. The centre says several communities have been evacuated, a number of roads remain closed and damage to crops in the area could be substantial.

Meanwhile, heavy precipitation in southern Alberta will mean substantially higher water levels along the South Saskatchewan River system. Sask Water says river levels upstream of Lake Diefenbaker will rise by as much as 3.0 to 3.5 meters as peak flows arrive in the province. There is some possibility of minor flooding in low lying areas.

In response to rising flows, releases from Lake Diefenbaker will be increased. Downstream water will increase by about 1.0 meter. Sask Water says that water levels on Lake Diefenbaker are expected to rise by approximately 4.0 meters by early July.