



I.D.E.A. Industry Update - March 8, 2002

I.D.E.A. Regional Meetings

The I.D.E.A. Regional Meeting for Alberta Dealers will take place Tuesday, March 12, 2002, 9:30 a.m. to 4:00 p.m. at the Red Deer Lodge Hotel and Conference Centre, Red Deer, Alberta (4311 - 49th Avenue, Tel: 403.346.8841). The I.D.E.A. Regional Meeting for Saskatchewan and Manitoba Dealers will take place Thursday March 21, 2002, 9:30 a.m. to 4:00 p.m. at the Ramada Hotel and Golf Dome, Saskatoon, Saskatchewan (806 Idylwyld Drive N, Tel: 306.665.6500). Regional meetings are free of charge to I.D.E.A. members and sponsors.

Sask Pool Talks of Financial Turnaround, But Share Prices Low

Saskatchewan Wheat Pool has issued a news release talking about the progress in its financial turnaround plan. According to the release, the Dominion Bond Rating Service has maintained the company's credit rating and trend at the same level of last year. The Pool claims to be winning back customers in Saskatchewan, while generating new business at its AgPro operations in Alberta and Manitoba. Pool CEO Mayo Schmidt says long term debt will be reduced substantially by year end. However, for much of the past week, Pool shares have traded below two dollars, sometimes flirting with all time lows. The share trading statistics show one investment dealer has been selling large numbers of Pool shares and this is believed to be a contributing factor to the low price levels.

Attractive Contract Prices for Some Specialty Crops

According to CGF Brokerage and Consulting, there are now new crop contracts available for No. 1 large green lentils as high as 18 cents a pound. On edible field peas, contract prices on a plant delivered basis range from 4.60 a bushel to as high as 5 dollars a bushel for some green peas. Desi chickpea contracts have risen as high as 16 cents a pound. Mustard contracts are available at 24 cents for yellow, 19 and a half for brown and 16 cents for oriental — good prices historically. Canary seed can be locked in at 19 cents a pound. Specialty crop contracts are available with an Act of God clause, so if there's a crop failure, producers are not on the hook for the contracted amount. However, CGF Brokerage says producers have been hesitant to make plans for the upcoming growing season and there haven't been a lot of contracts signed.

502 - 45th Street West, Second Floor
Saskatoon, Saskatchewan
CANADA S7L 6H2

Tel: (306) 933-4904
Fax: (306) 244-4497
office@independentdealers.com

McLeod Harvest Gets a Boost

McLeod Harvest has received a much needed financial boost. The inventor and president, Bob McLeod, has announced a new shareholder in the company. Emergo Canada Ltd. will invest \$1.5 million to gain a 26% equity interest in the company. One of the top officials in Emergo is Al Duerr, former Mayor of Calgary. The infusion of new money is a vote of confidence in the company and the harvesting system. The McLeod Harvest system shows considerable promise as a way to reduce harvesting costs while also collecting chaff for cattle feed. The field harvester gathers the grain as well as chaff and weed seeds and the mixture is trucked to a stationary mill for cleaning. The clean grain is binned and the chaff and weed seeds are available for feed. Developing the product and getting it to the marketplace has been time consuming and costly, but Emergo seems to recognize the potential cost efficiencies for farmers as well as the environmental benefits of re-inventing how harvesting is done. With this new investment, McLeod Harvest would seem to have a much better shot at commercializing its system.

Americans Seem Likely to Subsidize Pulse Crops

The new U.S. Farm Bill is still making its way through the American political system, but it looks quite likely that lentils, peas and chickpeas will be subsidized for the first time. Martin Chidwick, a trader with Xcan Grain, says that translated to Canadian dollars, the proposed support prices under the U.S. loan deficiency program are 20 cents a pound for lentils, \$6.50 a bushel for field peas and 28 cents a pound for 9 mm kabuli chickpeas. Particularly for field peas and lentils, those are attractive floor prices which would likely spur more American production. That would have an impact on the prices received by Canadian producers. However, Chidwick believes the passage of the Farm Bill will come too late to have much of an impact on this year's American seeding decisions. Dry beans are not included in the Farm Bill proposal.

Events

2002 Saskatchewan Rural Opportunities Conference, March 20-21, Saskatoon. Call 306-525-1578 for details or look online at www.agr.gov.sk.ca/build.

The SAC Inc. Annual Convention, "Taking Saskatchewan Beef to the Top," is scheduled for March 26, 2002 at the Travelodge Hotel (106 Circle Drive West, Saskatoon, SK, Tel: 306-242-8881). Call 306-384-44491 for details or look online at www.agrivation.sk.ca/conferences.htm.