



I.D.E.A. Industry Update - October 24, 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 well 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. More details to follow shortly.

Becker Underwood Acquires Urbana Laboratories

Becker Underwood, Inc., a leading manufacturer of bio-agronomic and specialty chemical products, announces the purchase of the legume inoculant producer, Urbana Laboratories of St. Joseph, Mo. The recent acquisition unites Becker Underwood's existing inoculant technology and expertise with Urbana's well-respected and wide range of inoculant products. Terms of the acquisition were not disclosed.

"We have had tremendous growth over the years," says Urbana Laboratories President, Greg Waibel. "By joining a global organization like Becker Underwood who is committed to the inoculant industry, we will benefit from extensive research and development capabilities as well as rigorous ISO 9001 quality standards. That, coupled with a company culture that fits with our own, will position us to carry out our core mission — to always better serve our customers."

The acquisition will be seamless for Urbana's customers as the company's full line of nitrogen-fixing rhizobium inoculant products will continue to be available through Urbana sales representatives as well as Becker Underwood's extensive sales force. Urbana Laboratories President, Greg Waibel will also join Becker Underwood in a key management role.

In step with its strategic growth plan, Becker Underwood has also recently purchased the Caldwell, Idaho seed coating company, Seedbiotics and the Sepiret range of seed coating products from the French-based specialty chemical producer, Seppic.

"We're committed to globally supplying market-leading products and technologies," says Roger Underwood, CEO of Becker Underwood. "These strategic acquisitions strengthen our core competencies and further position Becker Underwood on a global scale."

Founded in 1982 in Ames, Iowa, Becker Underwood, Inc. manufactures and markets a variety of specialty chemicals and bio-agronomic products for turf management, agriculture, seed treatment, wood recycling, aquaculture, vegetation management, forestry, structural pest control and many other industries. To learn more about their products, visit the company's web site at www.beckerunderwood.com.

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AU Buys SWP's Interest in Pacific Elevators

Agricore United and Saskatchewan Wheat Pool have entered into a binding agreement whereby AU will acquire SWP's 30 percent ownership of Western Pool Terminals Ltd., a port terminal in Vancouver. Also included is the related operating company known as Pacific Elevators Limited.

Agricore United will now become the sole owner of the 199,000 tonne port facility. Terms and conditions of the transaction are not being disclosed.

The federal Competition Bureau requires AU to sell either its stake in Pacific Elevators or its Agricore United terminal in Vancouver. This requirement was made when Agricore merged with United Grain Growers last year.

Rather than selling its share in Pacific Elevators, AU will now own the whole operation. Therefore, AU still has a terminal sale to make in Vancouver in order to satisfy the Competition Bureau.

Records Shattered for Low Production and Exports

The latest reports from the Market Analysis Division of Agriculture and Agri-Food Canada highlight how low Canadian production and exports will be, particularly for wheat and barley.

Canadian wheat production of only 11.9 million tonnes will be the lowest since 1970-71. That was the time of the LIFT program - Lower Inventories for Tomorrow - when the federal government actually paid farmers not to seed a crop.

A dismal level of production on top of poor production last year means projected wheat exports of a meager 6.1 million tonnes. That will be the smallest wheat export program since 1954-55. When the crop year is done, wheat carryout stocks are expected to be the lowest in 40 years.

In barley, Canadian production will be the lowest since 1968. Average barley yields are the lowest in 30 years and the rate of abandonment is the highest on record. Feed barley exports are expected to be negligible.

Meanwhile, corn imports are expected to reach a record high level as the livestock industry searches for a feed supply.