



I.D.E.A. Industry Update - February 7, 2003

I.D.E.A. Fourth Annual General Meeting and Conference: February 10-11, 2003, Saskatoon, SK

The I.D.E.A. Fourth Annual General Meeting and Conference is quickly approaching. Information regarding our exciting agenda as well as the registration form has been distributed by email, fax and mail. You may also access conference details online at www.independentdealers.com.

Thanks to our conference sponsors: PLATINUM: Agrium, Ramboc, Syngenta; GOLD: Monsanto Canada Inc.; SILVER-ENHANCED: Simplot; SILVER: Brett-Young, Dow AgroSciences, Kenmex Insurance, Nexus Ag, Northpoint Distribution Inc., Northstar Seed Ltd., Univar; BRONZE ENHANCED: IMC; BRONZE: AgResource; MaXfield Inc.; Polywest Ltd. SUPPORTING: MaX-Quip Inc.; Ranco; OTHER: United Agri Products.

"We are proud to once again sponsor IDEA at the Platinum \$5,000 level. As always we here at Agrium want to do what we can to support Independent Fertilizer Retailers in Western Canada and we believe IDEA is a great vehicle to do just that. We greatly appreciate every tonne and wish IDEA members and all Independent Retailers a prosperous 2003." – Todd Denzin, Dealer Sales Manager and Kevin Helash Manager, Canadian Sales, Agrium

New Directors and President for Agricore United

Ted Allen, President and Chairman of Agricore United has announced his decision to step down. Allen made the announcement to farmer delegates attending the Annual Members' Meeting in Winnipeg.

Allen will remain as a member of the Board of Directors. A new President will be chosen by the Board.

Ted Allen was elected to the board of Directors of United Grain Growers in 1973 and was elected President in 1990. He was elected President of Agricore United upon the merger of UGG and Agricore on November 1, 2001.

Meanwhile, four farmer delegates have been elected to three year terms on Agricore United's Board of Directors.

Directors re-elected to the Board are Terry Youzwa of Nipawin, Saskatchewan and Hugh Drake of Elkhorn, Manitoba.

New directors elected to the Board are Brett Halstead of Nokomis, Saskatchewan and Alanna Koch of Edenwold, Saskatchewan.

Halstead was formerly a director of UGG. Koch is perhaps best known as a former executive-director of the Western Canadian Wheat Growers Association.

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Meetings to Oppose GM Wheat

The Council of Canadians, the National Farmers Union, the Saskatchewan Organic Directorate and the Parkland Institute are presenting a series of meetings called "Planting Seeds of Doubt". The meetings are to take a stand against genetically engineered wheat in Canada.

Meetings are planned for February 26 in Winnipeg, February 28 in Brandon, March 1 in Melville, March 3 in Humboldt, March 4 in Saskatoon, March 5 in Rosetown, March 6 in Swift Current, March 7 in Medicine Hat, March 8 in Red Deer, March 10 in Camrose, March 11 in Edmonton and March 12 in Grand Prairie.

Lower Grain Prices Forecast for New Crop Year

With only a couple of exceptions, the Market Analysis Division of Agriculture and Agri-Food Canada (AAFC) expects grain, oilseed and specialty crop prices to be lower in the upcoming crop year. In many cases, a dramatic price reduction is expected.

The area seeded to most major grains and oilseeds in western Canada is expected to increase, with the largest increases expected on wheat, barley and canola. The total area seeded to pulse and special crops is expected to decrease by 4 percent because some net returns are expected to be lower than for competing crops and because there may be seed shortages for some crops.

The analysis assumes a return to normal or near normal yields and reduced levels of abandonment.

On No. 1 CWRS wheat with 11.5% protein, AAFC is predicting a price drop of \$43 a tonne as compared to the current crop year Pool Return Outlook from the Canadian Wheat Board.. On durum, a price drop of \$42 a tonne is anticipated.

On the top grade of two-row malting barley, a price drop of \$37 a tonne is anticipated., due to a forecast for increased world supplies.

On oats, production is expected to rise sharply, due to higher seeded acres, lower abandonment and higher yields. As a result, the price is forecast to fall by about a third (\$70 a tonne) down to \$145 a tonne.

AAFC says the price of canola is forecast to decrease from \$440 to \$390 / tonne, in-store Vancouver, due largely to increased world oilseed production. Flax is expected to be down about 10 percent (\$45 a tonne) to \$380 / tonne in-store Thunder Bay.

On dry peas, lentils, mustard and canary seed, seeded acreage is expected to remain about the same. AAFC expects seeded area to be down about 25 percent on dry beans, 30 percent on chickpeas and 10 percent on sunflowers.

New crop price increases are predicted for dry beans and chickpeas. Other specialty and pulse crop prices are expected to drop.

On lentils a fairly modest price drop is expected when averaged over all types and grades. However, the average price of field peas is expected to drop by more than \$1 a bushel. The average overall price of mustard is expected to fall from 30 cents a pound this year to 20 cents next year. Canary seed is expected to go from 31 cents down to about 17.