



I.D.E.A. Industry Update - February 14, 2003

Soybeans Attractive in Manitoba

Pulse crops acres continue to increase in Manitoba with soybeans making the biggest move in 2002 and maybe again in 2003. The Manitoba Pulse Growers, suppliers from everywhere, together with Bruce Brolley of Manitoba Agriculture are working hard at helping growers make the right choices and provide them with the information to grow a good crop. This was certainly evident of the February bean days in Morden, Manitoba.

"We have some big companies here from Ontario, Quebec and the United States who are looking to invest in the growing soybean industry in Manitoba," said Brolley who has worked hard on behalf of pulse growers in Manitoba. With over 300 producers in attendance, Brolley outlined why soybeans are such an attractive crop to grow. He says soybeans tolerate water making them quite suitable in the wet cycles of Red River Valley. That combined with a tolerance for drought makes soybeans a good choice in a fickle and volatile weather region. Soybeans have a very stable yield potential because they flower over a very long period. Brolley says any one node on a soybean plant can produce up to ten flowers with about four or five making it. If conditions are poor, when one flower drops off, others can come along to give yield stability.

He says soybeans may not spike the income of producers like edible beans can, but they give stability for insuring producers will get a crop.

Fears of Higher Nitrogen Prices

Manitoba Agriculture reports the Potash Corporation of Saskatchewan, the world's biggest fertilizer producer tripled its quarterly profits, earning US\$14.4-million (28¢/share) for the last quarter of 2002 (Oct/Dec), compared to US\$4.6-million (9¢/share) in the previous year period.

Higher nitrogen prices were responsible. Nevertheless, the increase was not as much as analysts had expected, and share prices dropped. The Potash Corp. has a number of locations for the production of nitrogen, phosphate and potash for the fertilizer, animal feed and industrial chemical markets. It reportedly can reduce costs by producing ammonia in Trinidad (where natural gas costs are lower), and upgrading it in the US.

In late January, 2003, the company announced it was temporarily stopping ammonia production at a plant in Louisiana because of higher natural gas prices, the major ingredient in nitrogen-based fertilizer.

Some speculate nitrogen-based fertilizer prices could be up maybe 30 to 40% from last year because of the higher natural gas.

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Saskatchewan Crop Insurance in Limbo

Details of the Saskatchewan Crop Insurance program for 2003 are being delayed.

Since the Saskatchewan government hasn't signed onto the new Agriculture Policy Framework, there's no commitment for crop insurance funding from the federal government. Without a budget number to work with, officials with Saskatchewan Crop Insurance don't know what sort of a program they can put together.

In turn, farmers don't know what their coverage levels or premiums will be. Nor do they know what options will be added or deleted.

Last spring, the province and the feds were locked in a dispute over crop insurance cost sharing. In the end, the variable price option and spot loss hail coverage were cut from the program. Farmers didn't find out their crop insurance coverage levels until close to seeding time.

Crop insurance funding isn't the main area of dispute this year. It's disagreement over the Agriculture Policy Framework - specifically the federal plan to dramatically change the NISA program.

However, the result is the same. Farmers don't have crop insurance information as they make their cropping plans.

I.D.E.A. Fourth Annual General Meeting and Conference a Success!

The I.D.E.A. Fourth Annual General Meeting and Conference was held February 10-11 in Saskatoon, Saskatchewan, just prior to the CAAR convention. The event was well attended and the speakers were both informative and entertaining.

Our featured speaker, Ken Johnston of K.R. Johnston Human Resources Services Inc. led an "Employment Standards and Labor Laws," workshop, leaving behind a handbook for dealers to refer to. I.D.E.A. was pleased to welcome members of Agwest, who joined us for this session.

Also on our agenda was Cam Sheeler from Kenmex Insurance who provided independent dealers with information on the latest changes in the insurance world. In addition, Arnie Shaw of Centennial Plumbing, Heating and Electrical shared his business experience with peer reviews, a process which has enabled him to compete amongst the big-box retailers. Thanks to our 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.; MaX-Quip Inc. Polywest Ltd. SUPPORTING: Nufarm, Ranco; OTHER: United Agri Products.