



I.D.E.A. Industry Update - January 31, 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; 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

Farm Groups Claim Betrayal in Ag Policy Framework

General farm organizations in both Manitoba and Saskatchewan are rejecting the design of the Business Risk Management programs being promoted by the federal government.

In Manitoba, Keystone Agricultural Producers says significant concerns of farmers and farm organizations across Canada have been ignored in the development of programs that will determine whether agriculture survives as a healthy, sustainable industry.

KAP President Weldon Newton said since the Feds announced the Agricultural Policy Framework, his organization has tried to work with the federal government to develop a long term business risk management plan for farmers.

"They have betrayed the initial promise of working with industry and have continued to ignore input from the people who will be affected the most by any changes. This has to end now," said Newton.

He said farmers are quickly losing patience and confidence. Going into the APF, farmers wanted programs that would help them to manage risk more effectively. Instead, he says the proposed changes will cripple NISA as a risk management tool and provide less disaster coverage at a higher cost to the farmer.

KAP is asking for more time to ensure that the programs that are developed will enhance the stability and viability of agriculture in the future.

"We oppose the federal plan to have all programs finalized by April 1, 2003. We believe that current programs should be extended for one year until the concerns of farmers are addressed," said the KAP president.

Those sentiments are echoed by the Agricultural Producers Association of Saskatchewan. APAS says

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producer affordability is a big concern, since farmers are being asked to stabilize their own incomes through increased contributions.

According to APAS President Terry Hildebrandt, the new proposals have no capacity for dealing with chronically low grain prices caused by international trade actions such as export subsidies and country of origin labelling.

Agriculture Ministers from across the country are met Friday, January 31 in Toronto to discuss the implementation of the Agriculture Policy Framework.

Dramatic Enhancements to Alberta Crop Insurance

Alberta's crop insurance programs will see sweeping enhancements for the upcoming growing season. According to the Alberta government, producers in that province will have access to the most innovative and comprehensive program in Canada.

The changes include a Spring Price Endorsement insurance which protects against significant drops in market prices between the time seeding decisions are made and crops are harvested. A premium will be charged for this endorsement.

The SPE triggers if the price falls by at least 10 percent to a maximum of 50 percent from the spring insurance price offered at sign-up time. If the SPE triggers, it pays the producer the price difference on the grain production, up to the producer's crop insurance coverage level.

Revenue Insurance Coverage is a new feature automatically available to farmers who purchase the Spring Price Endorsement. No additional premium will be charged. Under RIC, a floor price is set to protect producers from low market prices.

If the fall price at which farmers are compensated under the SPE is less than the floor price, they are eligible for a payment on 50 percent of the price shortfall up to their coverage level. According to the background information provided, floor prices will be set considering province-wide variable input costs, farm subsidies in the U.S., historical relationships among commodity prices and the province's capacity to provide financial support.

The program will also feature a Variable Price Benefit which will automatically be included in all policies. This benefit will trigger for a crop when the fall market price increases by more than 10 percent to a maximum of 50 percent as compared to the price option offered at sign-up time.

The enhanced program will also feature "cushioned" yields to increase coverage levels.

Alberta has also announced several changes to enhance forage and pasture insurance.

New Biotech Company in Saskatchewan

Ag-West Biotech has announced an investment of \$200,000 over two years to help the establishment of Agrisoma Biosciences Inc. in Saskatoon. Agrisoma is a new spin-off company of Chromos Molecular Systems headquartered in Burnaby BC. Chromos works in the healthcare sector.

Agrisoma is described as an early stage biotech company focussed on developing and commercializing its chromosome based gene transfer technology that will enable the development of high value traits in crops.

A major limitation of conventional gene transfer technologies is their restricted capacity to transfer large amounts of DNA, an important feature in enabling crops to express multiple traits. According to Ag-West Biotech, Agrisoma's technology overcomes this barrier.

It is hoped that this new technology will result in plants used for the production of biopharmaceuticals, or industrial protein based products such as enzymes for detergents.