



I.D.E.A. Industry Update - June 27, 2003

Independent Dealers Beware . . .

Blair's Fertilizer has had a robbery at their Nokomis location. A truck as well as a truckload of chemicals has been stolen. Ron Blair cautions other dealers to be cautious of chemicals entering the market place at a price that's too good to be true. Blair's Fertilizer Ltd. is part of CAAR's theft watch program.

New Crop PROs Drop Again

The June Pool Return Outlook from the CWB for the upcoming 2003-04 crop year shows a further softening of values.

While the winter wheat PRO is up slightly, all other grades and classes of wheat have dropped by as much as \$8 a tonne compared to the May PRO. After deducting average Saskatchewan freight and handling the PRO for No. 1 CWRS wheat with 12.5 percent protein is \$3.67 a bushel, down more than 20 cents from last month.

The CWB says wheat supplies in a number of minor exporting countries continue to tighten, but this is only partially offsetting the negative impacts of the strong Canadian dollars.

The PROs on No. 3 and 4 CWAD (durum) are up slightly, but the PROs for the top grades have plummeted by as much as \$12 a tonne. For No. 1 CWAD, 12.5 percent protein, the June PRO, basis Saskatchewan, is \$4.08 a bushel, down about 27 cents from last month.

North Africa is in the midst of harvesting a bumper durum crop and large crops are also expected in Turkey, Syria and Australia.

Malting barley values are down by \$7 a tonne compared to last month. The Saskatchewan price for the top grade of two-row is projected to be \$2.91 a bushel, with six-row at \$2.61 a bushel.

Monsanto Will Continue With RR Wheat ...by Kevin Hursh (June 26, 2003)

Monsanto Canada has informed the Canadian Wheat Board that it plans to continue with its application for a food, feed and environmental safety review of Roundup Ready wheat. On May 22, the CWB formally asked Monsanto to withdraw its application. Monsanto has now forwarded a formal reply.

"Successfully completing all stages of the regulatory process will send an important message to our customers around the world that this product has been comprehensively reviewed and is deemed safe for food, feed and environmental release," wrote Monsanto Canada president and general manager Peter Turner.

However, Monsanto noted that regulatory approval is only the first step of several commitments that must be met before it will commercialize Roundup Ready spring wheat. Monsanto says market acceptance, the establishment of appropriate thresholds, segregation and agronomic stewardship issues must all be adequately addressed along with regulatory approvals in Canada, the U.S. and Japan.

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

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

Big Increase in Canola Acreage

Western Canadian farmers have planted considerably more canola, but less spring wheat, oats and barley. According to the Statistics Canada seeded acreage report released June 26, canola plantings have increased by 21 percent or 2.0 million acres to 11.6 million acres.

This is not far off the five year average of 11.7 million acres, but it's considerably more than many in the trade were expecting. Substantial canola acreage increases were reported in all provinces, with the largest increase (30 percent) in Saskatchewan.

Based on farmer responses for the survey, spring wheat plantings are 18.1 million acres, down 4 percent from 2002. The five year average for spring wheat is 19.5 million acres.

In contrast, the area seeded to durum this year is virtually unchanged at 6.1 million acres. The five year average is 5.9.

The area seeded to barley in western Canada is down 0.9 percent or about 110,000 acres to 11.7 million acres. The five year average is 11.0. The oat acreage is pegged at 5.2 million acres, down 6 percent, with Saskatchewan leading the decline.

Flaxseed acreage has increased from 1.7 to 1.8 million acres.

Summerfallow acreage has declined by 14 percent to 8.9 million acres.

Special Crop Acreage Declines

Pulse crop acreage is down this year. So is canary seed acreage. Mustard acreage is up.

According to the seeded acreage report released by Statistics Canada, the area seeded to dry peas is up fractionally to 3.22 million acres. However, lentils have declined from 1.485 million acres last year to 1.365 this year. And chickpea acreage has crashed, going from 545,000 acres last year to just 155,000 this year. Two years ago, chickpea acreage topped a million. Dry and white bean have also seen significant acreage declines.

Canary seed acreage has dropped slightly going from 680,000 down to 620,000 acres. Mustard, on the other hand, has increased, going from 715,000 acres last year to 865,000 acres this year.