



## **I.D.E.A. Industry Update - March 21, 2003**

### **Another Quarter of Losses at Sask Pool**

Saskatchewan Wheat Pool has announced second quarter financial results that it says reflect the impact of last year's drought.

The net loss for the quarter was \$18.8 million or 50 cents a share. This compares to a loss of \$26 million in the second quarter of last year, which included after-tax provisions of \$13.2 million. For the first six months of Fiscal 2003, the net loss is \$34.4 million or 92 cents a share. Last year at the same time, the loss was \$38.4 million and this included \$9.9 million in after-tax provisions.

The Pool's primary shipments in the quarter were 1.2 million tonnes for a total to date of 2.8 million tonnes. That's 32.7 percent behind the previous year.

Sales for the Agri-Products segment for the second quarter were up 22.7 percent due to stronger fertilizer sales and higher nitrogen prices, along with increased crop protection product and seed sales. However, earnings were lower than last year primarily reflecting interest revenue that is no longer generated as a result of the Pool outsourcing its agri-products financing program.

Sales in the Agri-food Processing segment reflected substantial declines at Prairie Malt, which were partially offset by sales gains at Can-Oat.

Pool CEO Mayo Schmidt says that with the completion of the capital restructuring initiative on March 14 and the significant moisture recovery in much of the Prairies, the Pool is looking forward to a significant earnings recovery in Fiscal 2004.

### **Ice Slows St. Lawrence Grain Movement**

According to the Canadian Wheat Board, grain movement through the St. Lawrence Seaway continues, although shipments have been slowed considerably due to excessive ice in the seaway and on the Great Lakes. These are the worst ice conditions since 1979, the last time Lake Superior froze.

While ships are able to make it through the seaway, their progress is slowed because they have to navigate around large amounts of ice. The CWB says these conditions are expected to continue until sometime in early April.

In an average year, the CWB ships about 30 percent of its total exports through the St. Lawrence.

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

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

### **New Crop Contract Prices Declining**

New crop contract prices on specialty crops continue to fade. According to CGF Brokerage and Consulting of Saskatoon, the contract price for No. 1 Large Green lentils is now 21 cents a pound. Back in January, contract were available for 24 and even 25 cents a pound. On Medium Green No. 1 lentils, the contract price has slipped to 19 cents a pound, while No. 1 Small Green lentils are at 18 cents. The new crop contract price for yellow peas has slipped to \$4.50 a bushel. Back in January, contracts of \$5.75 were available. Green pea contracts are currently in the \$5.00 to \$5.25 a bushel range. A few months ago, they were at \$6.50. Canary seed new crop contracts are now listed at 16.5 cents a pound by CGF. They were as high as 20 cents. The current canary seed price is listed at 23.5 cents, down from over 35 cents last fall. New crop mustard contracts have remained relatively firm. No. 1 yellow mustard is at 26.5 cents a pound, No. 1 brown is at 22.5 cents a pound and No. 1 oriental trails at 18.5. The CGF contract price for desi chickpeas is listed at 17 cents a pound.

### **Canola Based Diesel Fuel Conditioner Now Sold Across Canada**

Milligan Bio-Tech of Foam Lake, SK now has a Canada-wide distributor for its diesel fuel conditioner made from canola oil. Westward Parts of Red Deer will be carrying the Milligan fuel conditioner. Westward has 800 to 900 agricultural parts dealers across Canada, but does the majority of its business in Western Canada.

"The Milligan Bio-Tech fuel conditioner meets or exceeds all of the European standards for diesel additives, and a University of Saskatchewan study has shown it improves engine efficiency," notes Greg Harris, president of Westward Parts.

Milligan is also testing a fire starter intended for use in fireplaces, barbecues and bonfires. This summer, there will be extensive testing of a new penetrating oil for loosening rust. Both products are environmentally friendly and "green."

### **Growing Interest in Echinacea in Alberta**

According to Dr. Mohyuddin Mirza, a greenhouse industry development specialist with the Crop Diversification Centre North (CDCN) in Edmonton, interest is increasing in the potential market for Echinacea. He estimates there are currently about 60 acres being grown in Alberta with a market value of approximately \$2 million.

Two forums were held for potential growers in September 2002. The positive response prompted the business specialists and scientists at Alberta Agriculture, Food and Rural Development (AAFRD) to assemble an Echinacea resource team.

Information is available on this new crop by checking the AAFRD website at [www.agric.gov.ab.ca](http://www.agric.gov.ab.ca). Look under "Medicinal, Culinary and Aromatic Crops" in the Special Crops section.

### **Fertilizer Quality Assurance Program**

Agricore United says it will be posting results of the Canadian Fertilizer Quality Assurance Program at fertilizer retail locations for the first time this year. The program is administered by the Canadian Food Inspection Agency. Samples of fertilizer products produced by individual manufacturers and blenders are assessed for ingredient quality and consistency of blend.

Agricore United wants to raise producer awareness of the quality assurance program and promote the quality at its fertilizer facilities. The company is encouraging growers to ask retailers if they participate in the Canadian Fertilizer Quality Assurance Program and how they scored on the evaluation.

Agricore United says growers can request a copy of the CFQAP report by contacting the Canadian Food Inspection Agency at 613-225-2342.