



## I.D.E.A. Industry Update - May 2, 2003

### NEXUS Ag News

Todd Younghans has joined NEXUS Ag Business Inc. as Director of Marketing and Sales, Western Canada. Todd's focus will be on marketing and sales of NEXUS Ag's crop nutrient products in Manitoba and Southern Alberta. Todd Younghans brings to NEXUS Ag a strong understanding of agricultural products in Western Canada. He has worked at the wholesale and retail level of the crop inputs market place and looks forward to working with existing NEXUS Ag customers as well as welcoming new customers to their varied product line.

### Farmers Grapple with Options as Seeding Report Comes In . . . By Ed White, Western Producer

Recent rains have made one decision easy for thousands of drought-fearing farmers in the western Prairies: they will definitely seed a crop this year.

"Farmers are a lot happier than they were this time last year," said Pioneer Grain's North Battleford terminal manager Kim Corfield. "We're definitely off to a better year."

About 22 millimetres of rain fell across most of the Prairies as a procession of heavy clouds strode above.

"This is good, especially the timing," said Canadian Wheat Board weather analyst Bruce Burnett. "It virtually assures that we'll be seeding into moisture in most areas."

But thousands of farmers are still grappling with crucial seeding decisions, not only about subsoil moisture but also market confidence following a long winter of falling prices.

On April 24, Statistics Canada released its spring seeding intentions report based on a March telephone survey. It forecast an almost 14 percent overall increase in canola acreage, which surprised most analysts.

The survey also forecast an increase in flax, rye and mustard acres, and a drop in spring wheat, durum, oats and barley.

Statistics Canada expects Saskatchewan farmers to flip out of durum and flop into spring wheat, seeding 220,000 more acres of spring wheat and 250,000 fewer acres of durum.

The agency estimated Alberta farmers would plant 400,000 fewer wheat acres and 150,000 fewer acres of barley than last year, the lowest since 1994, because of competition from cheap U.S. corn in the feed market.

The biggest changes in Manitoba were a 200,000 acre increase in canola, increases in corn, soybean and sunflowers and a drop in oats.

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

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

But analysts and markets were quick to discount the survey's results, which were gathered before the spring rains.

Errol Anderson of ProMarket Communications said the agency was wrong in expecting Alberta barley acres to fall and greatly overestimated the amount of increased canola acreage that farmers were planning.

They may end up being right (about canola acres), but that's because of this rain, not because this is what they were planning," he said.

Strasbourg, Sask., farmer Ray Hilderman, president of the Saskatchewan Canola Growers Association, said farmers he spoke to were backing away from canola this spring because of continually falling prices.

"People were cancelling seed orders," he said.

He couldn't believe the forecast of Saskatchewan canola acreage increasing by 20 percent this summer.

"That isn't what I'm hearing out there," said Hilderman.

Some may reactivate canola seeding plans because of the rain, but they are likely to be cautious because "it's an expensive crop to grow."

In oats, the biggest change was a 19 percent or 500,000 acre reduction in Saskatchewan.

Terry Tyson, the commodity procurement manager for Popowich Milling in Yorkton, said he expects a 10 percent decline in Saskatchewan, but "I don't buy that 19 percent."

Oats analyst Randy Strychar of Statcom said most of the fall in Saskatchewan oats production will occur in the west, an area that does not matter to the crucial milling market. A decrease there will not have a big impact on prices.

Tyson said many growers he speaks to are enticed by good price outlooks for malting barley, so that crop will help bite into oats acreage.

Saskatchewan oats production has been high for the past two years, with farmers trying to grab the healthy prices on offer, so some decline should be expected this year, Tyson said.

Strychar said the survey was completed in much drier conditions than those faced today, so people should expect to see farmers seed more oilseed acres and fewer cereal acres than they told Statistics Canada.

Regardless of what they choose to seed, farmers in the formerly dry belt north of Lloydminster are going into spring with more hope than they have had for a year, said Rob Rohr, a service representative with Saskatchewan Wheat Pool's Lloydminster terminal.

They are a lot more optimistic now," said Rohr. "We've got moisture down to about two feet."

Last year no spring rains came to areas like St. Walburg and Turtleford, Sask., but this past weekend "farmers enjoyed the clouds and lightning."

Some farmers are considering seeding canola, after rejecting the idea because of dry soils a month ago. Others are now planning to seed fields they were going to leave as summerfallow.