



I.D.E.A. Industry Update - October 17, 2003

Grain handling system bogged down . . . by Rae Groeneveld

An early harvest, a lack of railcars and elevators plugged with old crop are all blamed for slow movement of grain this fall. Many farmers expressed their frustration recently over the inability to market this year's harvested grain. Most of the concern is over Canadian Wheat Board controlled wheat.

"Movement has been less than desirable at the beginning of the new crop year, and I can understand producers' frustration with movement not going as quickly as they would like to," said Lorraine Beaudette, Farmer Business Representative with the Canadian Wheat Board, who is based out of Yorkton.

A strike at Canadian Pacific Railway earlier this summer is one of the reasons why grain movement to this point has been slow according to Beaudette. "Elevators that are located along CP lines really felt the crunch and we're just starting to see those service levels return to normal."

The early harvest has also contributed to a shortfall of rail cars for grain movement, says Beaudette. "I think it (early harvest) caught both railroads, CP and CN off guard. They had a number of cars committed in the U.S. and we're just starting to see those cars come back into Canada and get put back into service.

"The Saskatchewan Wheat Pool has a different view of why movement of board grains has been slow to this point. Fran Malecha, Senior Vice President of the Pool's Grain Group agrees the early harvest caught everyone in the transportation sector off guard. But Malecha says elevators filled with last year's poorer quality wheat are hurting movement this year.

"I think just with the change in crop qualities, and the time of their (CWB) export sales kicking in, and maybe the early harvest, those things may have contributed to some congestion on the Board's side," explained Malecha who added they've had to blend some of the poorer old crop wheat with this year's good new crop wheat to fit it in with the CWB's export programs.

Malecha says rail car access has not been a concern for them this year, noting they've been able to access cars when they need them. "We've seen pretty decent movement on some of the non-boards like canola for example. I would say the board grain movement has been slower than non-boards."

Malecha says the network of SWP elevators is near or at capacity right now and they are looking to increased shipments of board grains in the coming weeks and months to help elevate some congestion.

Beaudette doesn't think the lack of movement of old crop Number 3 wheat was a big factor in creating congestion in the elevator system. "Some elevators may have created a bit of a space problem. I know some were filled with non-board grains and that they didn't necessarily have space for Board grains at the beginning of the 2003-04 crop year."

Beaudette says now that the harvest has basically wrapped up the CWB will be increasing their export sales and that will help increase movement of wheat through the grain handling system. "I think it will only get better from here. We will see it (wheat) moving a little bit quicker following Week 12 and into that mid October-November range."

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

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

Canadian Grain Commission figures for Week 9 of the 2003-04 crop year, as of October 5, 2003, show farmer deliveries of wheat (excluding durum) into the system at 2.8 million tones. That compares to last year's drought reduced deliveries of 1.6 million tones for the same period. *(Reprinted from the AgExpert Express newsletter by permission of AgExpert Management Software and Farm Credit Canada.)*

I.D.E.A. 5th Annual General Meeting and Conference.

The I.D.E.A. 5th Annual General Meeting and Conference is scheduled to take place Thursday January 29 and Friday January 30, 2004 at the Howard Johnson Hotel in Canmore Alberta (1402 Bow Valley Trail, Canmore, AB, Toll Free: 1-888-678-4656). Conference details are in the works, so make sure to mark your calendars. Call the Howard Johnson to reserve your room now. Make sure you identify yourself as a member of the Independent Dealers Entrepreneurial Association. Bring your family and stay through the weekend . . . Canmore is a beautiful vacation spot!

What are Your Buying Practices?

Please take a few moments to complete this mini-survey on your organization's buying practices. The results will be shared in the next I.D.E.A. Industry Update.

1. Who does the buying of chemicals in your organization? (The owner, the manager, an agrologist, etc.)

2. Who does the buying of fertilizer in your organization?

3. How do you choose suppliers?

- Based on Supplier Buying Programs
- Based on Lowest Price
- Other: _____

4. Is it important to ensure the price you paid for products is competitive with what others have paid?

- Yes
- No

If yes, what means do you use to what other have paid in relation to you?

5. Do supplier incentives influence your purchasing decisions? Yes No

6. Does supplier support of organizations such as I.D.E.A., CAAR, etc. influence your decision to purchase from that supplier? Yes No

7. What do you look for in a supplier/distributor?
