



I.D.E.A. Industry Update - April 29, 2004

*****ProFarmer Canada's A.M. Market Report**

Last week and continuing through this week, I.D.E.A. members and supporters have been receiving a free two-week email subscription to a daily morning A.M. Market Report produced by Pro Farmer Canada. The trial concludes on Friday April 30, at which point you will have the opportunity to subscribe to the service at the a special discounted rate of only \$200 per year.

*****Unregistered Varieties Costing Millions**

The increasing prevalence of unregistered wheat varieties in Canadian shipments has prompted the grain industry, regulators and farm organizations to try to find ways to stem a problem that is costing millions of dollars.

"It's a dollars and cents issue," states Wade Sobkowich, Executive Coordinator with the Western Grain Elevator Association. "We've been seeing more and more downgrading due to the presence of indistinguishable non-registered wheat varieties."

The Western Grain Elevator Association (WEGA) along with a number of other organizations has launched a campaign to try and solve a problem that appears to be on the rise.

"There were more (contaminated shipments) that occurred in 2003 and we're not only seeing them in rail cars but were seeing them on vessels, and that's where the dollars get to be really big," explains Sobkowich. Sobkowich says those costs can get into the hundreds of thousands of dollars, if not the millions. He adds the costs of these downgrades are borne by the whole agriculture sector, right from the grain company to the farmers, so he thinks it is in everyone's best interest to ensure non-registered varieties do not get mixed in the system.

Paul Graham, Manager of Corporate Information Services with the Canadian Grain Commission, says the impact of having non-registered varieties in our export shipments can be severe.

"If you can imagine, a high speed bakery where the loafs are coming off the assembly line with thousands an hour. If somehow the flour to make that bread has different processing qualities, you could have chaos in the factory."

Graham says its hard to determine if the problem occurring in the grain-handling sector is a deliberate act by a few or if simply more information is needed about what wheat varieties are approved for registration.

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"The groups decided it was a good idea to spend a bit of money in advising farmers to be aware of what they are planting and understand if it is not eligible for one of the wheat classes, it has to be graded as feed."

Sobkowich says they don't want to force any farmer into growing certain grains with certain requirements.

"We respect the farmer's right to grow non-registered varieties — they have the right to grow non-registered varieties. All we're saying is if they make the decision to do that, they should be aware of the markets and they should be properly identifying the grain upon delivery."

The Canadian Grain Commission stated they would be increasing the amount of inspections done on wheat shipments. The WEGA also noted the scrutiny on wheat shipments would be increasing this year.

Sobkowich hopes they can reduce the problem of contaminated wheat shipments. An advertising campaign was launched on March 25 with information appearing in farm newspapers about the situation.

This informational campaign was put together by the Canadian Grain Commission, Western Grain Elevators Association, Inland Terminal Association of Canada, Canadian Wheat Board, Wild Rose Agriculture Producers, and the Agriculture Producers Association of Saskatchewan. *(By Rae Groeneveld; Reprinted in part from the AgExpert Express newsletter by permission of AgExpert Management Software and Farm Credit Canada.)*

*****Canada Allows More U.S. Beef, Veal Calves**

The Canadian Food Inspection Agency has reciprocated on the United States' easing of border bans on Canadian beef products, by allowing further imports of products from U.S. cattle under 30 months of age, including boneless and bone-in beef and processed products like ground beef and salami. Canada will now also allow imports of boneless and bone-in meat from U.S. bison under 30 months of age, and boneless meat from sheep and goats under 12 months of age. Veal calves may now be imported as well, both for feeding and slaughter. Canada will also allow show or rodeo cattle to enter Canada for temporary stays.

These moves follow the USDA's directives, effective April 19, to allow bone-in Canadian beef as well as processed meats and ground beef from cattle under 30 months, as well as beef for personal use (groceries, sandwiches, etc.). *(Source: Farm Business Communications)*