



## I.D.E.A. Industry Update - August 3, 2004

### **\*\*\*Regional Meeting Preferences**

We would like to see if a regional meeting in Edmonton on Wednesday August 25 would work for I.D.E.A. members. The meeting would consist of a dinner and a evening at the horse races with plenty of time for discussion of industry issues. Please fill in the information below and send up back your responses by August 12 (by fax to 306-244-4497 or by email to office@independentdealers.com.)

Are you interested in attending a regional meeting in Edmonton, Alberta, on Wednesday August 25?

Yes       No

Name and Company: \_\_\_\_\_

### **\*\*\*CWB Price Predictions Mostly Lower for 2004-05**

The Canadian Wheat Board has dropped its Pool Return Outlook (PRO) for 2004-05 on wheat, feed barley and designated barley. The July PRO for milling wheat is down \$7 per tonne as compared to the previous month. The CWB says the wheat PRO is down due to expectations of larger world wheat and corn crops. Meanwhile, the CWB says larger world feed grain supplies and very aggressive competition from the Black Sea are expected to keep pressure on global feed barley prices. The feed barley PRO is down \$7 a tonne from last month. Malting barley prices are down \$6 a tonne. The CWB says world demand for malting barley is expected to improve in the coming year, but good barley crops are expected in Canada, the EU and Australia. The PRO for durum was unchanged from last month. *(By Kevin Hursh; Reprinted in part from the AgExpert Express newsletter by permission of AgExpert Management Software and Farm Credit Canada.)*

### **\*\*\*Sask Pool Exits Fish Business**

Saskatchewan Wheat Pool has concluded the sale of its aquaculture operations to Wild West Steelhead, a division of Nil-Ray Farms Ltd., an Alberta based company. The fish farm is located on Lake Diefenbaker in southern Saskatchewan. In June, the Pool announced it was selling its aquaculture interests. The sale will not have any material impact on fourth quarter earnings. Earlier this year, the Pool exited the hog business, selling Heartland Pork to a division of Stomp Pork Farms, based in Saskatchewan. *(By Kevin Hursh; Reprinted in part from the AgExpert Express newsletter by permission of AgExpert Management Software and Farm Credit Canada.)*

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### **\*\*\*CWB Expands Early Payment Options**

The Canadian Wheat Board is expanding the Early Payment Option (EPO) program for the upcoming 2004-05 crop year. A 100% EPO is being created for wheat and feed barley. As well, an 80% EPO option has been added for durum and malting barley. The new EPOs are in addition to the existing 80% EPO for wheat and feed barley and the 90 per cent EPO for all CWB commodities. EPOs were first introduced for wheat only in the 2001-02 crop year. In the current 2003-04 crop year, nearly 3 million tonnes of wheat, durum and barley were committed by farmers under the EPO program. The program allows farmers to get a much larger portion of their money for wheat, durum and barley at the time of delivery, while still remaining in the pool account to take advantage of any price increases. Depending upon the contract they sign, producers receive 80%, 90% or 100% of the CWB's Pool Return Outlook, less a discount to cover risk, time value of money and administration costs. The discount varies depending upon the options selected, market conditions and sign-up dates. The money comes within 10 days of grain delivery. Producers are able to guarantee themselves a minimum price while remaining eligible for any price increases. The 2003-04 EPO program will begin on August 3. A farmer must have a Guaranteed Delivery Contract in order to obtain a feed barley EPO. For the 2004-05 crop year, the requirement to have a selected barley confirmation of acceptance at the time of the EPO contract sign-up has been removed. Farmers have the option to transfer between the selected barley and feed barley EPO programs in the event their barley is later selected or rejected for malting. (By Kevin Hursh; Reprinted in part from the *AgExpert Express* newsletter by permission of *AgExpert Management Software and Farm Credit Canada*.)

### **\*\*\*GMO Opposition All About Money?**

In the August 1, 2004 *Montreal Gazette*, Jacques Benoit of Montreal writes that the European Union and a large number of nations are pushing the notion that genetically modified food should be labelled as such and the next step would be a massive campaign to inject the untrue notion that GMO foods are not safe. So the question is: Why this campaign against GMO food? The answer: All patents on GMOs (that is, more than 95 per cent) are held by American corporations. Because crops planted with GMO (seeds) usually produce a much larger yield and often a better product, most nations would have to use them. The use of GMO would cost the EU \$20 billion to \$50 billion in annual royalties that would go to American corporations. That means the EU would lose its comparative advantages in agriculture. (Source: *Agnel*)

### **\*\*\*I.D.E.A. Annual General Meeting and Conference**

The I.D.E.A. 6th Annual General Meeting and Conference will take place February 7-8, 2005, Winnipeg, SK, in conjunction with the CAAR Convention. Keep posted for details.