



I.D.E.A. Industry Update - May 14, 2004

*****Low Carb Diets Hurt Wheat Producers**

The Canadian Wheat Board has compiled some statistics to show the affect of the low carb diet craze on flour consumption. Millions of people in North America are on the Atkins or South Beach diet that rule out consumption of grain-based products.

Per capita flour use in the United States fell from 65.7 kilograms (146 pounds) in 2000 to 61.7 kilograms (137 pounds) in 2002. This was the first time in 50 years that American flour consumption fell two years in a row.

The low carb diets have taken a year or two longer to significantly affect Canadian consumption patterns, but they're having an effect here as well. CWB statistics show Canadians used an average of 65.5 kilograms (144 pounds) of flour in 2003, compared to 69.7 kilograms (153 pounds) in 2002 - a decrease of about six per cent.

The CWB says lower flour usage translates into less milling demand which could mean lower domestic wheat prices. In 2002-03, the domestic market was by far the largest single buyer of Canadian wheat, taking 2.4 million tonnes.

CWB chairman Ken Ritter has urged the federal government to educate Canadians about the nutritional value of grain based foods. The CWB is also working with the domestic milling and baking industries on promotion. *(By Kevin Hursh; Reprinted in part from the AgExpert Express newsletter by permission of AgExpert Management Software and Farm Credit Canada.)*

*****Dry Start to Prairie Growing Season**

Most of the prairie region has had well below normal precipitation since the beginning of April raising concerns for both crop and livestock producers.

The PFRA (Prairie Farm Rehabilitation Administration) publishes precipitation maps on its Drought Watch web site at http://www.agr.gc.ca/pfra/drought/drprecprg04_e.htm. This week, it started mapping growing season precipitation for 2004.

From April 1 to May 4, only a few areas received more than an inch (25 mm) of rain. Those areas included much of southern Manitoba, an area in Saskatchewan from Melfort to Prince Albert and an area in Alberta around Edmonton.

For a few areas, precipitation has been about normal for the time period. This includes the Peace River region of Alberta, around Edmonton, around Lloydminster and some of the north central grainbelt area of Saskatchewan.

The rest of the prairies has had below normal precipitation with most of Alberta and Saskatchewan rated as well below average or extremely dry.

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Some areas did receive some rain later in the week. However, winds were again high over much of the prairie region. Substantial soil erosion is being reported in a number of areas, particularly west central Saskatchewan.

As of May 3, Saskatchewan Agriculture was estimating provincial seeding progress at six per cent, up from the five year average of two per cent for that date. An estimated 18 per cent was planted in the southwest, with six per cent in the southeast and four per cent in the west central region.

The May 3 crop report from Manitoba Agriculture reported a range of seeding progress. In the southwest, peas were 40 to 60 per cent seeded, with cereal crops at 10 to 15 per cent. In the northwest, only about one per cent of the crop has been seeded. In the Interlake region of Manitoba, Manitoba Agriculture says heat and rainfall are urgently needed to stimulate adequate forage growth.

Alberta Agriculture does not issue weekly crop reports. *(By Kevin Hursh; Reprinted in part from the AgExpert Express newsletter by permission of AgExpert Management Software and Farm Credit Canada.)*

******More Time for CAIS Sign-Up in Some Provinces***

Two deadlines for the Canadian Agricultural Income Stabilization (CAIS) program are being extended in the provinces where CAIS is delivered federally - British Columbia, Saskatchewan, Manitoba, New Brunswick, Nova Scotia and Newfoundland and Labrador.

The deadline for selecting a level of coverage under the program has been extended to June 30. The deadline to complete and submit CAIS supplementary forms has moved to September 30.

In addition to the supplementary forms, farmers participating in CAIS must report their farming income to the Canadian Revenue Agency by June 15 for individuals or June 30 for corporations and cooperatives.

The CAIS administration phone number is 1-866-367-8506 and the program's Web site is www.agr.gc.ca/caisprogram.

Even before the government news release on the extensions was issued, Keystone Agricultural Producers of Manitoba issued a news release saying it was pleased the government had acted on its recommendations to extend the deadlines. *(By Kevin Hursh; Reprinted in part from the AgExpert Express newsletter by permission of AgExpert Management Software and Farm Credit Canada.)*