



## I.D.E.A. Industry Update - May 27, 2004

### **\*\*\*Supreme Court of Canada Finds in Favour of Monsanto**

Monsanto Canada welcomed the decision of the Supreme Court of Canada in ruling that the subject matter claimed within its patent for Roundup Ready® canola falls within the Patent Act and that Mr. Percy Schmeiser and Schmeiser Enterprises Ltd. of Bruno, Saskatchewan infringed that patent.

“We are gratified the Supreme Court of Canada found that Monsanto’s patent pertaining to the Roundup Ready gene is valid and enforceable,” said Carl Casale, executive vice-president, Monsanto Company. “The Supreme Court has set a world standard in intellectual property protection and this ruling maintains Canada as an attractive investment opportunity. Patent protection encourages innovations that will lead to the next generation of value-added products for Canadian farmers.”

Monsanto originally pursued this case in the Federal Court of Canada because Mr. Schmeiser knowingly infringed Monsanto’s patents on Roundup Ready technology by planting 1,030 acres of Roundup Ready canola without paying the required license fee for using the technology. After reviewing all the evidence, Justice Andrew MacKay of the Federal Court of Canada did not find Mr. Schmeiser’s explanation of the events credible and held him liable for infringing Monsanto’s patent.

“More than 30,000 Canadian farmers have chosen our technology because of the economic and environmental benefits it brings,” said Casale. “We believe the Supreme Court of Canada decision is good news for farmers and Canadians, all of who benefit from the innovative work that is going on across the country to produce more abundant, high quality food.”

As a result of his infringement, Mr. Schmeiser will be required to comply with several remedies awarded by the Courts, including: (1) an injunction against Mr. Schmeiser and employees of Schmeiser Enterprises that prohibits planting, growing, cultivating, harvesting, selling, marketing or distributing the patented technology in the future; (2) an order to deliver to Monsanto any seed in Mr. Schmeiser’s possession known to contain the Roundup Ready gene. *(Source: Agnet, Food Safety Network)*

### **\*\*\*Snowbird flies in Western Canada**

A new variety of hard white wheat called Snowbird is taking off across Western Canada. According to Trenton Baisley, CEO of Quality Assured Seeds (QAS) in Regina, (which owns the marketing rights to the new wheat), seeded acres of Snowbird have increased from 175,000 in 2003 to 653,000 in 2004. They are expected to reach 1.2 million next year. The wheat is being grown across the prairies, although drought in Alberta has reduced the acres currently being seeded in the province.

Snowbird is part of a new class of wheat known as Canada Western Hard White (CWHW). It provides millers with a higher extraction rate, while catering to the Asian preference for a whiter flour that gives a sweeter taste to popular products such as noodles. The new variety is aimed at tapping the demand for hard white wheat that exists in a number of Asian markets while preserving the same traditional high

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quality associated with Western Canadian hard red wheat. Australia is currently the world's largest exporter of hard white wheat.

Baisley believes, "There will always be a market for hard red wheat," but he sees a large potential for growth with the new white wheats. "The yields have been excellent, as well as the disease resistance. With a \$7.50 per metric tonne premium over hard red wheat, it is one of the few bright spots for producers. We sold out this year."

Snowbird is expected to receive approval from the Canadian Food Inspection Agency later this year, following recent recommendations for full registration approval by the Prairie Registration Recommending Committee for Grain. Snowbird is one of two hard white wheat varieties developed by Dr. Gavin Humphreys and his colleagues at the Agriculture and Agri-Food Canada Research Centre in Winnipeg.

The second variety, called Kanata, has been recommended to receive an additional two years of interim registration. QAS also owns the rights to this variety. Baisley confirms there are currently about 8,000 acres of Kanata being grown in the Grande Prairie area in northern Alberta. Baisley points out that Kanata matures earlier, "but there is a trade-off with lower yield."

In a recent industry report published by the Western Grains Research Foundation (WGRF), Humphreys confirmed, "The quality characteristics and agronomics of hard white are basically the same as hard red wheat." One of the biggest advantages is that there is basically no difference between growing hard white wheat versus hard red wheat, since no change is required in the fertilizer or chemical program.

Snowbird is currently an identity-preserved crop under contract with the Canadian Wheat Board (CWB). Andrea Hilderman, with product development and marketing support at the CWB, confirms that the CWB has currently contracted about 180,000 tonnes for Asian Pacific markets. Although most of this is currently being grown in Manitoba, she notes that the CWB is predicting that the crop will become popular throughout the prairies. But she explains that it takes time to introduce new seed across provincial borders due to concerns with diseases such as fusarium. Producers wanting more information can contact Baisley at 306-791-1070 ([www.qas-online.com](http://www.qas-online.com)) or the CWB at 1-800-275-4292 ([www.cwb.ca](http://www.cwb.ca)). The WGRF report is available at [www.westerngrains.com](http://www.westerngrains.com). *(By Kevin Hursh; Reprinted in part from the AgExpert Express newsletter by permission of AgExpert Management Software and Farm Credit Canada.)*

### **\*\*\*Sask Pool Sells Hog Barn Assets**

Saskatchewan Wheat Pool has unloaded its hog barn assets held under the name Heartland Pork Management Services. Heartland Pork was under creditor protection, but the sale of the assets to Sterling Pork Farm has been approved. Sterling is a subsidiary of Stomp Pork Farm, which currently owns 7,500 sows and operates nine facilities near LeRoy, Saskatchewan. The sale includes seven hog barn projects that marketed 360,000 hogs in fiscal 2003. No sale price was disclosed. *(By Kevin Hursh; Reprinted in part from the AgExpert Express newsletter by permission of AgExpert Management Software and Farm Credit Canada.)*