



I.D.E.A. Industry Update - November 5, 2004

*****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. Mark the date in your calendars and plan to attend. This year, we are pleased to present Dr. Brian Little.

Dr. Little is Award winning psychologist and university professor, highly regarded for his clinical research into personality types, and for his ability to present his findings with warmth and humour. Students at Harvard University were so enthralled with Brian that they nominated him for the prestigious Joseph R. Levenson Memorial Teaching Prize. Through his academic research and his popular presentations, Dr. Little gives tremendous insight into how people relate, work, and communicate with one another.

In addition to his academic research, Dr. Little is at work on a book entitled *Human Natures and Well-Beings*, aimed at a more general audience. And, as he has done over the past fifteen years, he continues to delight a diversity of audiences with the insights and whimsy of his presentations. Dr. Little grew up in Canada, and received his early education in British Columbia. He completed his Ph.D. in Psychology at the University of California at Berkeley and was the recipient of the prestigious Commonwealth Scholarship to study at Oxford University in England. He stayed on as a faculty member at Oxford for several years before returning to Canada. Prior to joining the faculty at Harvard, much of Dr. Little's academic career was spent in the Department of Psychology at Carleton University.

He has published widely in the area of personality psychology and is consistently acknowledged as an outstanding teacher. In 2000, Dr. Little's innovative research brought him to Harvard as a member of the inaugural group of Fellows at the Radcliffe Institute for Advanced Study.

Dr. Little will be speaking to I.D.E.A. conference delegates on the subject, "Achieving Success in a Competitive Environment."

Keep posted for further conference details.

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*****Week Five of Our Markets Newsletter**

If you have access to the internet, by now you will have seen five installments of our new weekly, internet-based markets newsletter, available at: www.pfcanada.com/report.html. In partnership with Pro Farmer Canada, I.D.E.A. members receive a free trial of this weekly newsletter through to December. Throughout the trial, we encourage you to share this information with your staff and farm clients, and we welcome your comments and feedback.

If you have not been receiving the newsletter, but would like to, it may mean we don't have your email address on file. Email us with your updated contact information at office@independentdealers.com or call us at 306-933-4904.

*****Steel Prices Hurt Implement Manufacturers**

The rapid rise in steel prices is putting farm implement manufacturers in a difficult situation.

"We set our prices once a year," said John Buhler, "We don't know what steel prices are going to do by the end of the year and we can't make our projections for the next year." Buhler is one of the Directors of PIMA, the Agricultural Manufacturers of Canada, which held its annual meeting in Winnipeg recently.

According to Buhler, the automobile industry is the only sector that has some assurance of their price for steel. "They have a four year agreement," he said. "Two years ago they were paying above market price but now they have what appears a pretty good deal."

Buhler says some of the components of the tractors his firm manufactures have increased in price by 100 per cent in the last year.

"We can't handle that, we can't go back and change our prices that have been distributed to dealers and yet our inputs are going up dramatically," he said. Buhler claimed it is not only steel prices that have increased. Plastics have risen due to the jump in petroleum prices.

Bill Teerhuis of Manitoba Trade and Investment said China is attracting a lot of attention from equipment makers. "They are buying a lot of steel and have had a huge impact on the world market." Teerhuis said that while China has driven up the price of the raw product, that country is also viewed as a huge market for farm equipment.

"But it requires a different mindset," said Teerhuis. "The Chinese want partners that will establish plants in their country. It is not just a matter of selling them product, they have a labour force." Teerhuis has been involved with several trade missions to China. He doesn't downplay the potential, but warns that it is a long process to become a supplier in that country. *(Source: Les Kletke; Reprinted in part from the AgExpert Express newsletter by permission of AgExpert Management Software and Farm Credit Canada.)*

*****Canada Remains Third Largest Agricultural Exporter**

Despite the trade difficulties caused by BSE, Canada remained the world's third largest agricultural exporter in 2003. Statistics recently released by the World Trade Organization pegged Canadian exports of agricultural products at \$33.69 billion. That was 5 per cent of world exports.

The number one exporter was the European Union at 42 per cent of world exports, followed by the United States in second place at 11 per cent. Following Canada in third place were Brazil, China and Australia.

The WTO statistics put Canada in fifth place as an importer of agricultural products. Canada imported \$18 billion in agricultural products, accounting for 2.5 per cent of world imports.

While being the largest agricultural exporter, the European Union was also the largest importer. Total imports were slightly larger than total exports. The United States was the second largest importer, with the value of imports almost matching exports. Japan was the third largest importer, followed by China in fourth spot. *(Source: Kevin Hursh; Reprinted in part from the AgExpert Express newsletter by permission of AgExpert Management Software and Farm Credit Canada.)*

*****Low Prices for Poor Quality Grain**

Almost all of the October Pool Return Outlook (PRO) numbers from the Canadian Wheat Board are down compared to the previous month. The main reason is the strengthening Canadian dollar.

Milling wheat PROs are \$1 per tonne higher (that increase was only for No. 4 CWRS) to \$9 per tonne lower. Durum PROs are \$2 to \$9 per tonne lower. Feed barley is down \$1 per tonne. Malting barley values are down \$5 to \$6 per tonne.

Frost, disease and wet harvest weather has reduced the quality of the crop over much of the prairie region. Many producers will be marketing lower grades where the price outlook is particularly disappointing.

After deducting average Saskatchewan freight and handling, the expected price for No. 3 CWRS wheat is \$3.04 a bushel. By comparison, the PRO on No. 4 spring wheat is only \$2.17. The expected price of feed wheat through the export market is \$1.76 a bushel.

Different provinces have different average freight and handling deductions. Feed wheat in Manitoba has a PRO of \$1.84 a bushel, while in Alberta the PRO is \$2.00. In some areas, there will be wheat with such a low test weight that it doesn't make the Canada Feed grade. Wheat must weigh at least 50 pounds to the bushel to meet the minimum requirement.

For durum, the Saskatchewan PRO on No. 3 is \$3.49 a bushel. No. 4 durum is \$2.95, while No. 5 is a mere \$1.94. Malting barley has dropped, but it's still worth a lot more than feed barley. The top grade of two-row malting barley has a PRO, basis Saskatchewan, of \$2.67 a bushel.

Feed barley through the CWB has a PRO of \$1.16 a bushel in Saskatchewan, \$1.03 in Manitoba and \$1.34 in Alberta. However, most producers are expected to sell their feed barley in the domestic market where the current price is substantially higher. *(Source: Kevin Hursh; Reprinted in part from the AgExpert Express newsletter by permission of AgExpert Management Software and Farm Credit Canada.)*

*****Money for Capital Projects in Rural Areas**

Farm Credit Canada (FCC) is making \$400,000 available to help fund capital projects in rural areas across the country. Called the AgriSpirit Fund, the money is for projects such as new health-care centres, recreation facilities, children's playgrounds and sporting facilities.

Community leaders are encouraged to review the eligibility criteria and apply for a portion of the AgriSpirit Fund. Only on-line applications will be accepted. All the necessary information can be found on the FCC's Web site a www.fcc-fac.ca, in the "About Us" section.

Applications will be accepted until January 15, 2005. Successful submissions will be announced shortly thereafter. The maximum donation will be \$25,000.

To be considered for funding, the initiative must enhance the quality of life for people who live in rural communities, be a capital project (equipment, building funds, etc), be registered through the Canada Revenue Agency, allow FCC to erect a permanent sign, and be located in rural Canada.

FCC says it prefers to partner with organizations that benefit more than one rural community, are able to measure the impact of their projects on the community, are cost effective, offer recognition for FCC involvement and that encourage volunteerism and offer possible volunteer opportunities for FCC employees.

FCC officials say the more information that is provided, the better an application can be evaluated. *(Source: Kevin Hursh; Reprinted in part from the AgExpert Express newsletter by permission of AgExpert Management Software and Farm Credit Canada.)*