



## I.D.E.A. Industry Update - December 21, 2005

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

Mark your calendars and plan to attend the I.D.E.A. 7<sup>th</sup> Annual General Meeting (AGM) and Conference on the evening of Monday February 13, 2006 in Saskatoon, SK. The business meeting gets underway at 6:00 p.m., followed by our feature speaker William Goodbar, VP of AgriCapital from New York, New York. The evening concludes with a member reception. For additional details as well as registration information, look online at [www.independentdealers.com](http://www.independentdealers.com) under "Events." Thanks to our 2006 Sponsors: Simplot (Gold), AgResource (Silver), Univar (Silver), MaXfield Inc. (Bronze) and UAP (Supporting). For more on sponsorship, visit [www.independentdealers.com/sponsorship.htm](http://www.independentdealers.com/sponsorship.htm).

### \*\*\* *Our New Website . . .*

Check out the new I.D.E.A. website format at [www.independentdealers.com](http://www.independentdealers.com). There are no passwords to remember, which makes site navigation easier than ever.

### \*\*\* *NAFTA Victory for Wheat*

Canadian spring wheat will be able to move freely into the United States once more, after a NAFTA panel issued its final decision on an appeal launched two years ago by the CWB. The last hurdle has now been crossed to the removal of a U.S. tariff that has virtually closed the border to Canada's largest crop since 2003. In issuing its decision, the NAFTA panel dismissed a challenge by the North Dakota Wheat Commission, the group that began the trade dispute. Canadian hard red spring wheat can enter the United States without duty liability as soon as the NAFTA Secretariat issues the notice of final panel action, a process that should be completed within the next few weeks. In October 2005, prompted by a NAFTA panel directive, the U.S. International Trade Commission re-examined and reversed its 2003 decision. It ruled Canadian wheat imports do not injure U.S. producers and do not drive down American wheat prices. The tariff had been set at 14.2%, but was ordered lowered to 11.2% after a NAFTA ruling was issued in June 2005 on a separate CWB appeal. (Source: CWB Bulletin)

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**\*\*\*Duty on U.S. Corn adds \$1.90 Bushel**

Canadian cattle producers want to put on hold the collection of duties on U.S. corn imports, but Manitoba corn growers say such a move would be grossly unfair.

Last week, the Canada Border Services Agency imposed provisional duties after it determined that unprocessed grain corn from the United States is being dumped and subsidized.

The Canadian cattle industry said the duties, which are the equivalent of \$1.90 Cdn per bushel, could give American cattle feeders an advantage while harming cattle feeders and beef processors in Canada.

"We think the CBSA has the authority to delay collecting duties for upwards of 120 days," said Ian McKillop, a director for the Canadian Cattlemen's Association and president of the Ontario Cattlemen's Association.

"We feel they should use that power to delay it until such time as a more detailed investigation can be completed."

The Ontario Corn Producers' Association, the Manitoba Corn Growers Association and the Fédération des producteurs de cultures commerciales du Québec pushed for the duties alleging that subsidized American corn is harming Canadian corn prices and production and increasing the burden on government support programs.

The Canadian International Trade Tribunal already has made a preliminary finding that imports of unprocessed corn from the U.S. have injured Canadian growers.

The tribunal's final decision on injury is expected by April 14 while the border agency's final decision on dumping and subsidy is expected by March 15.

McKillop said the provisional duties imposed Dec. 15 could add as much as \$100 per head to the cost of feeding cattle in Ontario. That could lead to an increased flow of feeder cattle to the U.S., he said, leaving fewer cattle to be finished and processed in Canada.

Meanwhile, Clare Schlegel, president of the Canadian Pork Council said the duties could add as much as \$20 per head to the cost of feeding hogs in Canada, resulting in more weanlings being shipped to the U.S. for finishing.

Schlegel and McKillop said increased livestock exports to the United States could result in more American trade action against Canadian cattle and hogs.

Corn growers remain determined, however, and said the trade action was the only way to get relief from depressed prices for their commodity. *(Source: By Ian Bell, Brandon bureau, Wester Producer)*

**\*\*\*I.D.E.A. Member Conference Call Schedule**

The I.D.E.A. Member Conference scheduled for Tuesday January 10, 2006 will NOT take place, due to a time conflict with the Crop Production Show. In addition, the I.D.E.A. Member Conference call scheduled for Tuesday February 13, 2006 will NOT take place to allow members travel time to the CAAR convention. Keep posted for further updates and alternate conference call times.

**\*\*\*I.D.E.A. Holiday Hours**

The I.D.E.A. office will be closed for the holidays beginning December 23 and opening again on January 5. If anything is required in the interim, please email [office@independentdealers.comcom](mailto:office@independentdealers.comcom).

***Merry Christmas and Happy New Year***