



## I.D.E.A. Industry Update - February 11, 2005

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

The I.D.E.A. 6th Annual General Meeting and Conference held in Winnipeg, February 7-8, 2005 was a great success. The speakers were excellent and from the feedback obtained, everyone found the sessions both informative and entertaining. Thanks once again to our 2005 Sponsors who helped make our program possible:

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### **\*\*\*I.D.E.A. Member Conference Calls**

I.D.E.A. will be holding members conference call the second Tuesday of every month, except May, beginning in March. Industry experts will join us to bring you up to date information and forecast on the grains, fertilizers and fuels market. Calls will last an about an hour and there will be plenty of opportunities for questions. Keep posted for details on the first conference call to be held March 8, 2005 at 10:00 a.m. Saskatchewan/Manitoba time (9:00 a.m. in Alberta and portions of B.C.)

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### **\*\*\* I.D.E.A. Board News**

A warm welcome to Alan Rundell who has agreed to serve as an Advisor to the Board. For 2005-2006, the I.D.E.A. Board consists of:

- President: Pattie Ganske, Parkland Fertilizers (Wetaskiwin) Ltd., Wetaskiwin, Alberta
- Past President: Curtis Sinnott, Sinnott Farm Services Ltd., Pincher Creek, Alberta
- Vice President: Frank Orchard, Orchard Transport, Delisle, Saskatchewan
- Treasurer: David Dow, Dow Fertilizers Ltd., Onoway, Alberta
- Director: Ron Blair, Blair's Fertilizer Ltd., Lanigan, SK
- Director: Allan Kroeker, Terraflex Ag Services Ltd., Niverville, Manitoba
- Director: Ross McKnight, Linear Grain Inc., Carman, Manitoba
- Advisor: Alan Rundell, Dickson Fertilizers Ltd., Spruce View, Alberta.

If you are interested in becoming an I.D.E.A. Director or Advisor, let us know!

### **\*\*\*Prairie Farm Groups Highlight Income Crisis**

Three prairie farm groups have joined forces to lobby the federal government over low farm income levels. WRAP (Wild Rose Agricultural Producers in Alberta), KAP (Keystone Agricultural Producers in Manitoba) and APAS (Agricultural Producers Association of Saskatchewan) believe statistics for 2004 will show another dismal year for farm incomes. In 2003, net farm incomes were negative for the first time in recent Canadian history.

The groups say there are a number of issues at the heart of the economic squeeze including historically low commodity prices, the effects of BSE on the ruminant industry, a number of consecutively poor crop years and rising input costs. They also say farm debt has increased to an all time high.

KAP, WRAP and APAS say targeted and significant assistance is needed to address the hurt on Canada's farms. They claim CAIS, the Canadian Agricultural Income Stabilization program, is unable to address the need.

"Farmers who have experienced several years of financial difficulty due to lower prices and trade problems find that their eligibility to receive assistance declines when they need it most," says a joint news release from the groups. They also claim CAIS is too slow to address the immediate needs of producers.

The three organizations say they strongly believe that ad hoc assistance is imperative and plan to lobby in that regard. *(Source: Kevin Hursh; Reprinted in part from the AgExpert Express newsletter by permission of AgExpert Management Software and Farm Credit Canada.)*

### **\*\*\*Bad Weather Slows Grain Shipments**

Grain shipments off the prairies to the West Coast are behind schedule thanks to extraordinary weather throughout January.

"We had a lot of severe weather," explained Jim Feeny, Senior Manager of Public and Government Affairs for Canadian National Railway. "Basically what that did was slow down the logistics chain right from the farm bin, through the farm gate, to the elevator system and then to as far as the ports."

The weather ranged from far below normal temperatures on the prairies, which slowed grain movement, to above normal rainfall on the West Coast, which impacted the ability to load vessels with grain.

The slow movement is costing producers money. Louise Waldman, Communications Officer with the Canadian Wheat Board admitted there have been demurrage charges by vessels waiting to be loaded. Demurrage is charged when vessels are not loaded on time. She would not disclose the size of the charges because demurrage is negotiated with each customer and for commercial reasons is confidential.

"The recent rains in Vancouver meant there were days where we were loading literally 500 tonnes of grain," explained Waldman.

"We have seen some slowdowns, nothing at crisis levels, but definitely there's been an impact by the weather conditions."

Feeny said while CN prepares to deal with winter weather the company can only do so much.

"You get winter every year but the kind of winter you get is different. What we had this year was more severe conditions in terms of cold, especially. When you get a winter like we've had it effects every bit of the logistics chain."

Neither Feeny nor Waldman would elaborate on how much grain shipments are lagging. However, they said all efforts are being made to work through the backlog.

Feeny rejected the suggestion grain shipments have been slow because the rail companies have been giving priority to moving more profitable commodities like iron ore and coal.

"When you get -45 below Celsius temperatures it effects every train you're moving whether it's carrying grain or whether it's carrying coal." *(Source: Rae Groeneveld; Reprinted in part from the AgExpert Express newsletter by permission of AgExpert Management Software and Farm Credit Canada.)*