



I.D.E.A. Industry Update - February 24, 2005

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

The first in a series of member conference calls will be held Tuesday March 8, 2005 at 10:00 a.m. Saskatchewan/Manitoba time (9:00 a.m. in Alberta and portions of B.C.). Further conference calls will take place the second Tuesday of every month(except May). Industry experts will join us to bring you up to date information and forecasts 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 how to participate on the first conference call of this year, Tuesday March 8.

***** Using Accrual Option to Improve CAIS Returns**

There's still time for many producers to use a little know option of the Canadian Agricultural Income Stabilization (CAIS) program to improve their returns. It's known as MAAO, the Modified Accrual Accounting Option. Tim Highmoor, an economist with the Western Beef Development Centre says the option can be especially useful for cattle producers who increased their inventory of animals. Highmoor says in many instances the MAAO can increase the reference margin of an expanding livestock operation and therefore increase the potential for a larger CAIS payment. Producers wishing to re-file their 2003 reference margin using the option have 90 days to do so from the date at which CAIS issued them a Calculation of Benefits Statement. A person who works for the CAIS program confirms that some producers are losing out. The individual didn't want their name used, but says producers and accountants alike are missing out, sometimes leaving tens of thousands of dollars on the table. (Source: Kevin Hursh; Reprinted in part from the AgExpert Express newsletter bypermission of AgExpert Management Software and Farm Credit Canada.)

*****Initial Payments Increase**

Initial payments for most grades and classes of wheat, durum and designated barley sold through the Canadian Wheat Board (CWB) increased as of February 15. On feed wheat, No. 5 durum and some minor classes of wheat, there was no increase. On wheat the increase ranged from \$2.35 to \$30.30 per tonne depending upon the grade. On the base grade of No. 1 CWRS wheat with 12.5 per cent protein the increase was \$12.10 a tonne (about 33 cents a bushel). On durum the increases ranged from \$2.00 to \$35.20 per tonne. On No. 1 CW Amber Durum with 12.5 per cent protein the increase was \$15 a tonne (about 41 cents a bushel). For designated barley the increases were \$21.00 per tonne (about 46 cents a bushel) on two-row and \$18.00 a tonne on six-row. A complete listing for all grades is posted on the CWB's Web site at <http://www.cwb.ca/choice.html>. Farmers who delivered wheat, durum and designated barley to the CWB before February 15 will receive an adjustment payment. The payments will be mailed February 25 or received by direct deposit on February 22. (Source: Kevin Hursh; Reprinted in part from the AgExpert Express newsletter bypermission of AgExpert Management Software and Farm Credit Canada.)

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