



I.D.E.A. Industry Update - May 19, 2005

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*****I.D.E.A. Golf Social and Meeting**

Mark your calendars and plan to attend an I.D.E.A. golf social and meeting on August 17 in Alberta. Keep posted for additional details to follow. All I.D.E.A. members all welcome to attend.

*****Food for Thought: A New Model for the CWB, an Editorial by C.M. (Red) Williams**

With the Doha Round of the WTO grinding ahead there is an inevitability about altering the structure of the Canadian Wheat Board. The change required is that the Government of Canada will be removed as the "banker" for the CWB which has had insufficient reserves of its own or the borrowing capacity to meet its trading requirements and advance payments for producers. Just how the new CWB will look is up for debate.

Although there have been repeated challenges of the CWB's methods the majority of producers still recognize the benefits of pooled returns and of a single desk seller to compete with the huge international grain traders. A new CWB would likely be some form of a producer cooperative, continuing its current practices, which would place it very much as the only voice of producers of wheat, durum and barley. Whether that would lead to bringing in other commodities, canola and peas being the most likely in the beginning, is clearly an issue for consideration. It is likely that crops such as the lentils which are marketed by Canadian processors would be difficult to bring under the CWB. Of course the Australian Wheat Board model might be attractive to some in which the domestic market is an open one with the Board dealing only with exports.

In any case, there will be change, but we will have to be very careful that we retain the benefits of a single desk, and price pooling for export or we will just have to jump in bed with the grain traders. Despite all its warts the CWB has worked successfully to return all profits to producers rather than to corporate shareholders. It will take some steady hands to negotiate the form and function of the next phase of the CWB.

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*****Monsanto Canada Selects Lethbridge Region As Site For New Canola Research Station And Seed Processing Plant**

Monsanto Canada has announced plans to construct a 10,500 sq. ft. canola parent seed processing plant in Lethbridge, Alberta. The parent seed plant will support Monsanto certified hybrid canola seed production in southern Alberta and across North America.

In addition to the new processing plant, a new canola hybrid research station will be established at the same site to support the company's extensive canola breeding and research program aimed at bringing new technologies and new traits to Canadian canola growers. The research/breeding group and the seed production team will be housed together.

"Monsanto continues to view Canada and the canola industry as an important and significant contributor to the growth of our seed and biotechnology traits business worldwide and as a key market for continued investment," said Kathy Klepfer, vice-president and general manager. "These new seed and research facilities will give us greater control over the seed production process and allow us to continue to bring new high quality, high yielding canola seed varieties to Canadian farmers."

Construction on the new state-of-the-art seed processing plant located just east of Lethbridge on Hwy. #3 began in mid-May and is expected to be complete in October of this year. The combined research and seed production facility employs 14 people - some from Lethbridge and others who have relocated from other Canada-wide site locations. It features new technology and equipment that ensure high quality parent seed processing and storage.

On the research side, hybrid canola breeding nurseries are being planted for the 2005 growing season on land adjacent to the parent seed plant. In addition to the field research work, the canola research station will house growth chambers, cold seed storage and a contingent of three research staff.

Monsanto Canada chose the Lethbridge region for its new canola seed parent seed facility and research station because the region has the ideal growing environment for the production of hybrid canola, including a longer growing season, a dry climate and the added benefit of access to irrigation.

"The dry climate in the region will allow us to field test new canola seed technologies under environmentally stressful growing conditions" explained Greg Buzza, Monsanto Canada's canola hybrid breeder. "Conducting research on new canola varieties and field testing future canola traits that have the ability to withstand environmental stress such as drought, are key focus areas for our canola research program."

The new research station and canola parent seed processing facility in Lethbridge join a growing list of Monsanto research, breeding and seed production sites located in Cranbrook, B.C.; Carman, Manitoba; and Chatham, Guelph, London, and Listowel, Ontario. Monsanto Canada markets a number of quality canola seed varieties - including hybrids - under the DEKALB and Advanta brand names. A recent doubling of its investment in canola breeding in Canada is expected to result in an expansion of its canola seed product line within the next few years, giving farmers a greater number of high-yielding canola seed varieties and trait options. *(Source: Monsanto Media Release)*