



I.D.E.A. Industry Update - November 21, 2005

Being a member of I.D.E.A. means you receive: • a listing in the online member directory • an online service and equipment exchange • access to the Just Members section on the I.D.E.A. website • regional seminars and member conference calls on pertinent topics, such as handling credit, budgeting, etc., at no cost, or special member rates • sharing of industry operating numbers • the I.D.E.A. *Industry Update*, a regular email/fax update dealing with the latest industry happenings • the *Independent Viewpoint* newsletter, published periodically • networking opportunities • a membership decal promoting your business as independent dealer • access to a forum for discussing business ideas and issues • communication with peers, the ability to share ideas and learn from seasoned agricultural dealers • an opportunity to participate in the "Rainmaker" program, a turnkey approach that helps retailers identify and capture opportunities with high potential customers and prospects

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

Mark your calendars and plan to attend the I.D.E.A. 7th Annual General Meeting (AGM) and Conference on the evening of Monday February 13, 2006 in Saskatoon, SK, in conjunction with the CAAR convention. Our brief AGM will be followed by feature speaker Bill Goodbar, VP of AgriCapital who will focus on the state of the agriculture industry. The evening will close with a social, complete with wonderful appetizers and a cash bar. Mark your calendars and plan to attend. An agenda and registration form is attached.

***** Alberta Announces \$224 Million in CAIS Changes**

The Alberta government has announced that it will invest \$224 million in a pilot designed to improve the CAIS program. In a press release, Doug Horner, Alberta Minister of Agriculture, Food and Rural Development acknowledged, "Our producers are...telling us that back-to-back disasters have eroded the ability of the CAIS program to effectively respond."

The CAIS program was introduced in 2003 after the widespread drought of 2002, which was quickly followed by the BSE crisis and snowed under crops in northern parts of the province in 2004. The 2005 crop year has seen rained out harvests as commodity prices fall to new lows and input costs continue to rise. It is felt that the current method of calculating a producer's reference margin during such back-to-back disasters has eroded these margins.

The pilot project will look at CAIS program years from 2003 to 2005 and apply a different method of calculating a producer's reference margin. In addition to using the current Olympic average formula, which drops the highs and lows of the last five years and then averages the remaining three years, the alternate method will simply average the last three years of a producer's financial data to calculate the reference margin.

It is hoped that the pilot will demonstrate how each reference margin approach responds to the conditions created by disasters. According to Horner, the results will be shared with the other provinces as well as the federal government.

The CAIS administration will automatically review Alberta claims since 2003 to compare the support level using both margin calculations. Producers entitled to additional benefits will be notified accordingly and will receive the additional money.

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The rules will also allow producers who never participated in CAIS or who only signed up in some years, to retroactively apply for the 2003, 2004 and 2005 years. Additional information can be obtained by contacting the Agriculture Financial Services Corporation (which administers the program in Alberta) at 1-877-744-7900 or at www.AFSC.ca. (Source: by D. Larraine Andrews; Reprinted in part from the AgExpert Express newsletter by permission of AgExpert Management Software and Farm Credit Canada.)

*****New Pulse Crop Research Lab in Saskatoon**

A new \$3 million pulse crop research lab has been officially opened at the University of Saskatchewan in Saskatoon. The facility is expected to meet the crop breeding and research needs of the pulse industry for the next 20 years. It adds 1200 square metres to the existing U of S Crop Science Field Lab just east of the campus. For the first time, all aspects of pulse research programs at the U of S Crop Development Centre, from breeding, pathology and crop physiology to data processing and seed storage, will be located together. This is expected to increase efficiency and allow research programs to expand for peas, lentils, chickpeas and beans.

The project was spearheaded by Saskatchewan Pulse Growers, which collects a levy from producers when pulse crops are marketed. The federal and provincial governments and many private companies contributed to the project.

Saskatchewan has 20,000 pulse growers. The province produces 99 per cent of the country's lentils and 70 per cent of its peas. Canada is the world's largest exporter of peas and lentils and a major exporter of chickpeas. Pulse crops are planted on four to five million acres in Saskatchewan each year. They are the province's third most important crop export.

The Crop Development Centre at the U of S was established in 1971. Since then, it has released 92 pulse crop varieties, including 32 lentil, 20 pea, 22 bean, 13 chickpea and five fababeen varieties. (Source: by Kevin Hursh; Reprinted in part from the AgExpert Express newsletter by permission of AgExpert Management Software and Farm Credit Canada.)

*****OlyWest Pork Processing Plant for Winnipeg**

Olymel L.P., Hytek Ltd and Big Sky Farms have joined forces to build a new \$200 million pork processing plant in Winnipeg. The strategic partnership known as OlyWest will also partner in the ownership of Olymel's Red Deer, Alberta plant which is currently being expanded to process 4.5 million hogs per year.

Olymel L.P., based in St. Hyacinthe, Quebec is Canada's largest pork processor. Hytek Ltd., based in LaBroquerie, Manitoba is the second largest hog production company in the country. Big Sky Farms with headquarters in Humboldt, Saskatchewan is Canada's third largest hog producer. Going forward OlyWest will look to expand its producer group.

"We are proud to have chosen Winnipeg to be the home of our new processing facility. The new plant will focus on food safety, and will produce high quality pork products for the global market under the Olymel brand," said OlyWest CEO and President of Olymel Rejean Nadeau.

The new OlyWest plant will have a processing capacity of 2.25 million hogs per year. It will create 1,100 jobs. The plant will be built on the east side of Winnipeg in the St. Boniface Industrial Park.

The province of Manitoba is supporting the initiative with \$3 million for training and recruitment assistance and \$4.5 million for site infrastructure. There is also a fully repayable \$20 million loan under the Manitoba Industrial Opportunities Program.

Construction is expected to start next spring with operations at the plant expected to commence in early 2008. (Source: by Kevin Hursh; Reprinted in part from the AgExpert Express newsletter by permission of AgExpert Management Software and Farm Credit Canada.)

I.D.E.A. 2006 CONFERENCE AGENDA & REGISTRATION

Independent Dealers Entrepreneurial Association (I.D.E.A.) Seventh Annual General Meeting and Conference February 13, 2006 • Sheraton Hotel • Saskatoon, Saskatchewan

AGENDA:

- 6:00 p.m. I.D.E.A. Business Meeting
7:00 p.m. "Where is Agriculture Headed?" Bill Goodbar, VP of AgriCapital
8:00 p.m. Member Reception (Appetizers and Cash Bar)

Registrant Information:

Name(s): _____

Organization: _____

Address: _____

City/Town: _____

Province: _____ Postal Code: _____

Phone: _____ Fax: _____

Email Address: _____ Total Number Attending: _____

I am a (please check one): Member Sponsor Non-member Other:

Registration Details:

- **Register by January 31, 2005 and your registration is free!** After January 31, members are \$25 per person and non-members are \$50 per person (includes GST).
- Registration includes conference program and reception
- After January 31, 2005, full payment must accompany registration. Make cheques payable to the "Independent Dealers Entrepreneurial Association" and mail to: Independent Dealers Entrepreneurial Association, 502 - 45th St. W., 2nd Fl, Saskatoon, SK S7L 6H2
- Please check all events you will be attending:

Annual Meeting, February 13, 6:00 p.m.

Conference, February 13, 7:00 p.m.

Reception, February 13, 8:00 p.m.

QUESTIONS? Contact the Independent Dealers Entrepreneurial Association

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