

Hello:

In regards to the recent phone call that we had. Here are some of the issues that we talked about. With regards to the commitment that grains and oilseed producers have to end EU and American subsidies.

1. The crow rate benefit \$655,000,000 a year since 1995. That's \$ 6.55 billion in the last 10 years.
2. With the dismantling of crow also came the destruction country elevators and their grain storage capacities. The grain and oilseed producers committed to feeding the world, had to build their own on site grain storage.(We alone have spent \$150,000 on grain storage).
3. The fact that large numbers of country elevators were demolished, left less places to sell our product means we have to travel further distances to market our grain. So today we haul our grain 150 kms to a inland terminal. When we used to only haul it 15 kms. Because of the longer distances that we have to haul our product creates additional expenses along with additional investment in trucks over \$100,000.
- 4.The grain and oilseed sector generates \$ 8 to \$11 billion dollars a year in Canada. When you use a multiplier of 9 that's anywhere from \$72 TO \$99 BILLION TO THE CANADIAN ECONOMY THIS IS HUGE....Where are the voices industry people that are receiving this financial benefit and how important the grain and oilseed producers are to them ?

The Alberta government and the Spring Price Endorsement. This price is set on what they determine the fall market price will be in end of the crop production year. So what this means is with American and E U subsidies at \$1.3 billion are driving down world prices the SPE is not truly reflecting true market pricing. So producers are buying insurance to protect their prices that are already reduced by foreign subsidies. Solution to this problem is an increase the Revenue Insurance Coverage from 70% to 90% (RIC). This will not only increase coverage levels to help offset increased expenses but will give the producers a stronger financial statement to take to there banks. Another problem that we run into is borrowing on equity .As much as we would like to run newer equipment. Most of our equipment is over 10 years old Our banks policy is not to lend money on equipment that is over this age to buy or use as equity. Even though this equipment is in very good shape, well maintained, runs well.

So there we are hopefully this give you some additional information and good luck.

Thanks, Chris Vavra