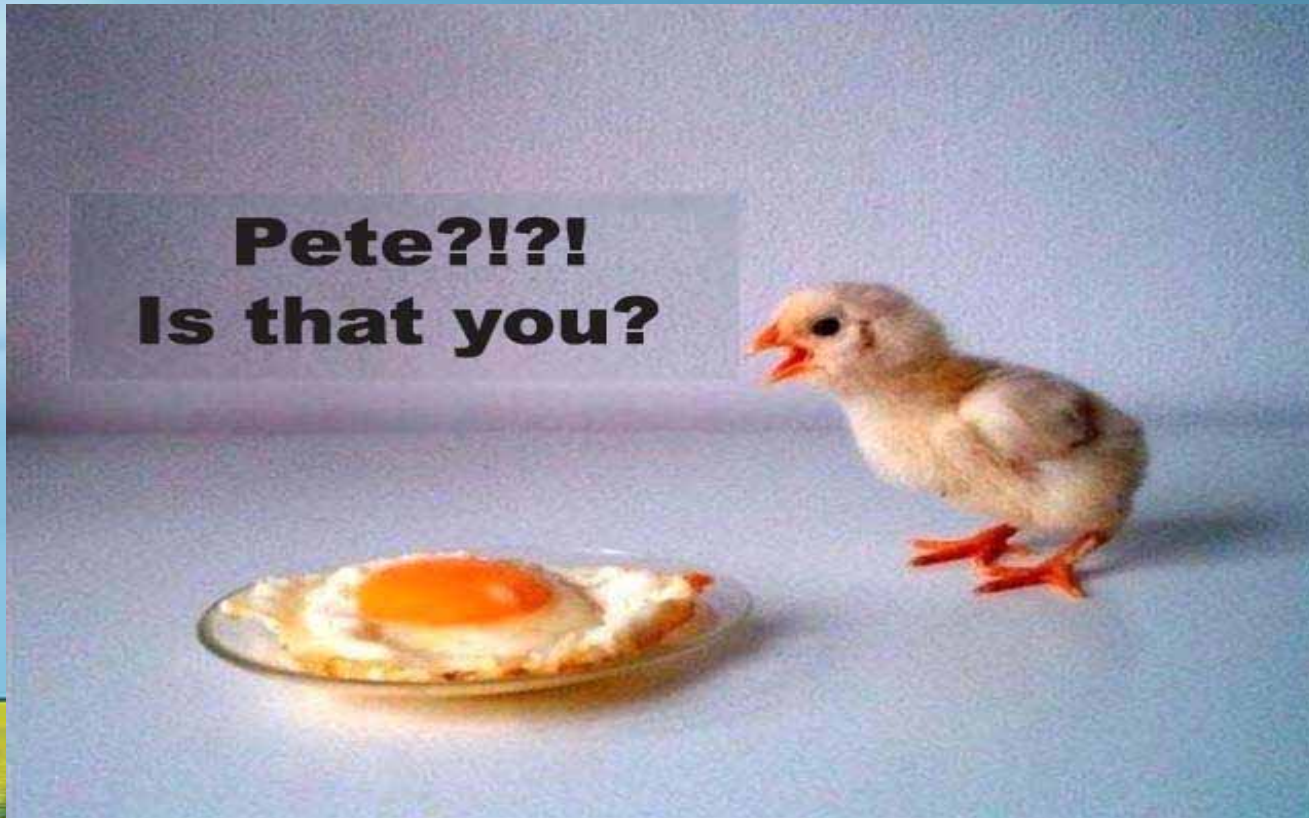




Mustard Market Presentation

Steve Gadiant BSA

I - Industry Evolution



A) Purchase practices 20 years ago vs. Current purchase practices.

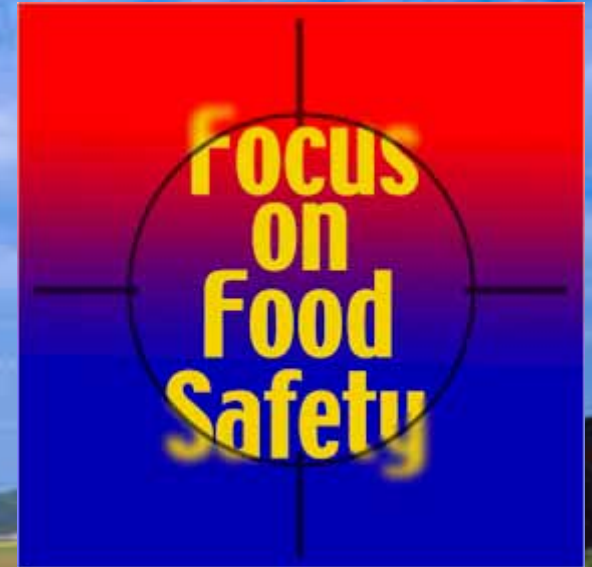
B) LOGISTICS

- Inbound Trucks
- Seed Cleaning Facilities
- Outbound Railcars, Containers, Vessels, Trucks
- Fuel Surcharges



C) FOOD SAFETY

- **Quality Assurance Departments have higher budgets**
- **Increasing concerns with:**
 - **Foreign Materials**
 - **Allergens**
 - **Metal Residues**
 - **Pesticide Residues**
 - **Micro - Organisms**





D) Government Barriers

- **Import Licenses, Quotas, Surtaxes**
- **Stringent Import Requirements**
 - **Sampling / Testing**
 - **Load Modifications**
 - **MRL's**
 - **GMO**
 - **Foreign Seeds**



II – Current Situation

A) What happened in 2006?

- Acres Seeded
- Quantity Produced
- Crop Quality

Figure 33: Western Canada Specialty Crops Area, Production, and Canadian Exports

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Mustard										
	Seeded Area (thousand acres)									
Alberta	145.0	110.0	100.0	50.0	60.0	85.0	140.0	135.0	80.0	65.0
Saskatchewan	560.0	580.0	585.0	465.0	330.0	600.0	675.0	640.0	445.0	295.0
Manitoba	17.0	10.0	7.0	10.0	20.0	30.0	25.0	8.0	-	-
Western Canada	722.0	700.0	692.0	525.0	410.0	715.0	840.0	783.0	525.0	360.0
	Production (thousand tonnes)									
Alberta	50.6	39.7	44.8	13.8	8.5	19.1	38.8	52.4	31.1	28.1
Saskatchewan	186.5	195.5	259.7	185.1	91.2	125.2	176.9	250.4	170.3	90.6
Manitoba	6.3	3.4	1.9	3.3	5.1	10.0	10.4	6.5	-	-
Western Canada	243.4	238.6	306.4	202.2	104.8	154.3	226.1	309.3	201.4	118.7
	Canadian Exports									
	97/98	98/99	99/00	00/01	01/02	02/03	03/04	04/05	05/06	
'000 tonnes	166.0	162.0	169.4	150.8	170.7	114.0	121.2	119.0	133.2	
*\$/tonne	546.0	525.5	449.3	411.1	542.9	614.4	591.7	530.0	450.0	

Global Warming Trends



18th
Century

1900

1950

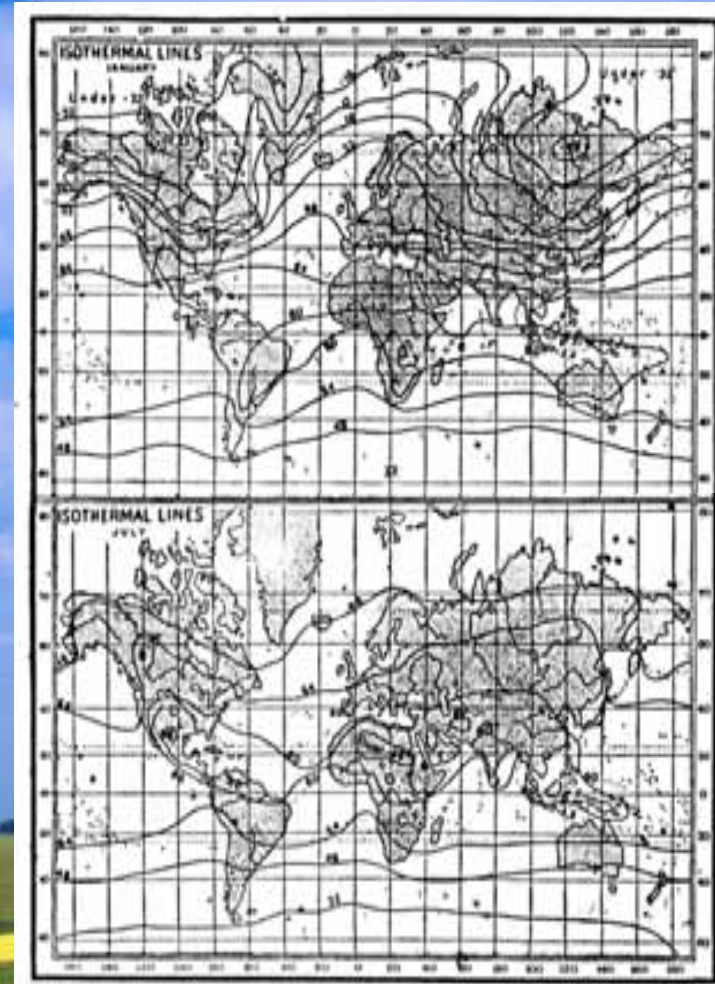
1970

1980

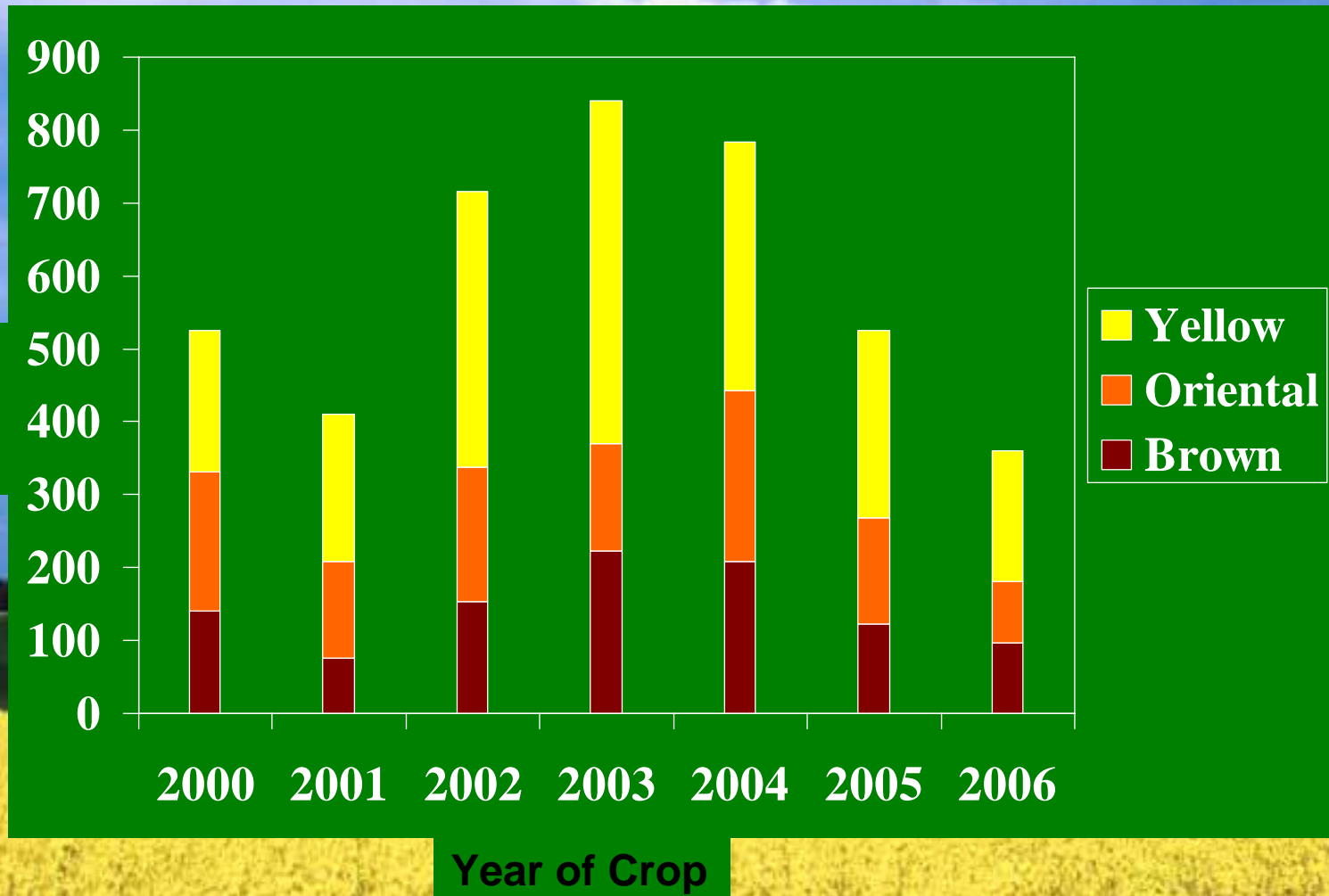
1990

2006

- B) Weather/
Climate
Update
- C) Acreage
Trends



Canadian Seeded Acres



D) Current Prices

**Figure 18:
Mustard Supply and Disposition, Western Canada**

	Aug 1 Stocks 000 tonnes	Harvested Acres Thousands	Production	Imports	Total Supply	Exports Thousand Tonnes	Domestic Use	Seed	F.W.D.*	July 31 Stocks	Stocks/ Use
1997/98	37.2	722.0	243.4	1.6	282.2	166.0	21.0	3.2	44.0	48.0	20%
1998/99	48.0	690.0	238.6	1.1	287.7	162.0	23.3	3.2	49.0	50.2	21%
1999/00	50.2	675.0	306.4	1.3	357.9	169.4	23.4	2.4	49.0	113.7	47%
2000/01	113.7	514.0	202.2	0.7	316.6	150.8	23.0	1.9	37.0	103.9	49%
2001/02	103.9	390.0	104.8	3.2	212.0	170.1	4.5	1.5	3.0	32.9	18%
2002/03	32.9	630.0	154.3	4.2	195.1	114.0	8.8	3.2	10.0	59.0	43%
2003/04	59.0	810.0	226.1	1.6	288.0	121.2	21.4	3.6	50.0	91.8	47%
2004/05	91.8	751.0	305.5	1.3	398.6	119.0	19.8	3.2	63.0	193.6	94%
2005/06	193.6	510.0	201.4	0.2	395.2	133.1	20.0	1.4	51.5	189.2	92%
2006/07	189.2	327.0	120.3	1.0	310.5	135.0	18.0	1.6	51.0	104.9	51%

*Feed, waste, and dockage

Source: Saskatchewan Agriculture and Food estimates based on data from Statistics Canada and Agriculture and Agri-Food Canada



180 140 120 100 80 60 40 20 0 20 40 60 80 100 120 140 160 180

60
50
40
30
20
10
0
10
20
30
40
50
60

Part III – Market Prospects

A) Competition Prospects

- Other Grains
- Eastern Europe

B) New Demand

- Bio diesel
 - Edible oil
 - Food Products
 - Industrial Products
- 
- 180 140 120 100 80 60 40 20 0 20 40 60 80 100 120 140 160 180
- 60
50
40
30
20
10
0
10
20
30
40
50
60

C) Demand changes

**Figure 17:
Canadian Mustard Exports
Top 20 Destinations**

2004-2005			2005-2006		
		tonnes			tonnes
	World	119,027		World	133,148
1	United States	54,138		United States	55,248
2	Belgium	26,565		Belgium	28,444
3	Japan	8,363		Bangladesh	10,963
4	Germany	7,782		Japan	6,654
5	Netherlands	3,500		Netherlands	6,205
6	India	3,119		Germany	5,761
7	Thailand	2,774		India	2,976
8	Korea, South	2,036		Thailand	2,951
9	United Kingdom	1,558		Korea, South	2,519
10	Senegal	1,452		United Kingdom	1,850
11	Australia	1,052		Sri Lanka	1,535
12	Switzerland	878		Venezuela	1,015
13	Venezuela	556		Senegal	1,012
14	Brazil	495		Australia	593
15	United Arab Em.	482		Morocco	578
16	Sri Lanka	467		Finland	462
17	Morocco	332		France	419
18	Peru	316		Switzerland	406
19	Italy	275		Brazil	351
20	France	250		Ecuador	302

Source: Statistics Canada

D) Market Prospects





Yellow Mustard Table

Less than \$15.00			5%
Between \$15.00	and	\$20.00	20%
Between \$20.00	and	\$21.00	40%
Between \$21.00	and	\$25.00	20%
More than \$25.00			15%

Brown Mustard Table

Less than \$15.00				10%
Between \$15.00	and	\$17.00		20%
Between \$17.00	and	\$18.00		40%
Between \$18.00	and	\$20.00		20%
More than \$20.00				10%

Oriental Mustard Table



Less than \$14.00			15%
Between \$14.00	and	\$16.00	15%
Between \$16.00	and	\$18.00	50%
Between \$18.00	and	\$20.00	10%
More than \$20.00			10%



- Contracting

A photograph of a two-lane asphalt road with a dashed white center line and solid white edge lines. The road leads towards a large, reddish-brown rock overhang that completely blocks the path. The surrounding area is a green grassy hillside with some trees in the background. The sky is clear and blue.

THE END!

UGOTO