



Mustard Market Presentation

Steve Gadiant BSA

Montana Specialty Mills LLC

I - Economic Uncertainties

- A) Political Stability????**
- B) Exchange Rates**
- C) Costs of Production**



D) Costs of Getting Product to Market

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





E) Government Barriers

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



II) Security of High Quality Supply

A) Is high quality mustard seed going to be available at a reasonable price?



B) FOOD SAFETY

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





*We're in the
IN Crowd!!!!*

*IN - DEBT
IN - HOCK
IN TROUBLE!*

III - Current Situation

A) What happened in 2008?

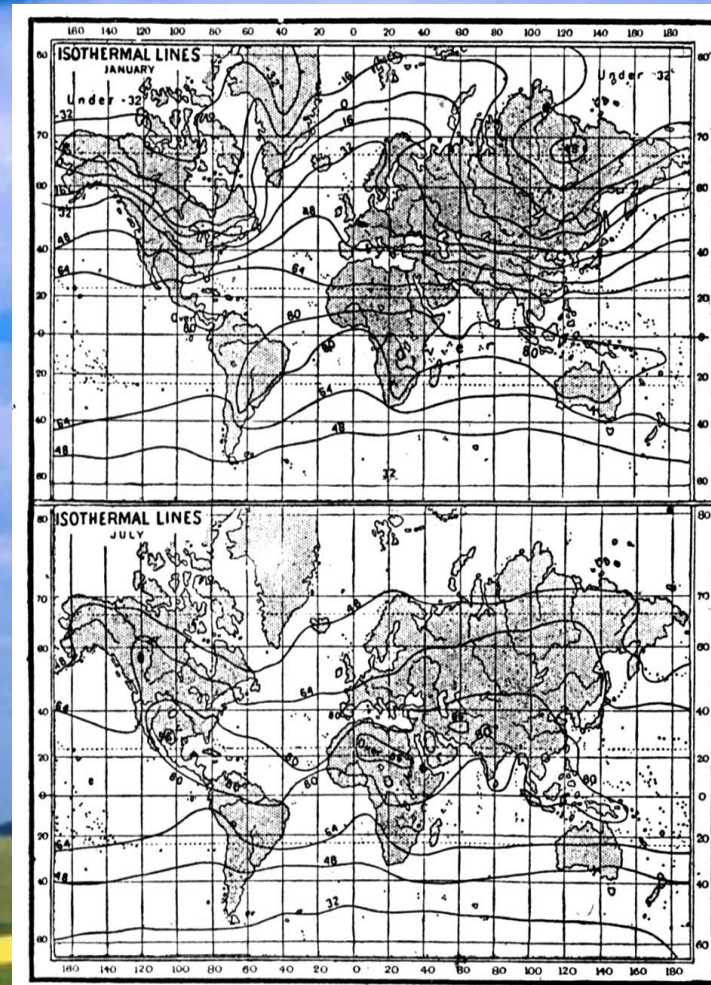
- Acres Seeded*
- Quantity Produced*
- Crop Quality*

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

<i>MUSTARD</i>	<i>1999</i>	<i>2000</i>	<i>2001</i>	<i>2002</i>	<i>2003</i>	<i>2004</i>	<i>2005</i>	<i>2006</i>	<i>2007</i>	<i>2008</i>
	<i>Seeded Acres (thousand acres)</i>									
<i>Alberta</i>	<i>100.0</i>	<i>50.0</i>	<i>60.0</i>	<i>85.0</i>	<i>140.0</i>	<i>130.0</i>	<i>80.0</i>	<i>62.5</i>	<i>85.0</i>	<i>110.0</i>
<i>Saskatchewan</i>	<i>585.0</i>	<i>465.0</i>	<i>330.0</i>	<i>600.0</i>	<i>675.0</i>	<i>600.0</i>	<i>400.0</i>	<i>268.2</i>	<i>375.0</i>	<i>370.0</i>
<i>Manitoba</i>	<i>7.0</i>	<i>10.0</i>	<i>20.0</i>	<i>30.0</i>	<i>25.0</i>	<i>8.0</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>
<i>Western Canada</i>	<i>692.0</i>	<i>525.0</i>	<i>410.0</i>	<i>715.0</i>	<i>840.0</i>	<i>738.0</i>	<i>480.0</i>	<i>330.7</i>	<i>460.0</i>	<i>480.0</i>
	<i>Production (thousand tonnes)</i>									
<i>Alberta</i>	<i>44.8</i>	<i>13.8</i>	<i>9.9</i>	<i>19.1</i>	<i>38.8</i>	<i>51.2</i>	<i>31.1</i>	<i>25.6</i>	<i>27.0</i>	<i>37.1</i>
<i>Saskatchewan</i>	<i>259.7</i>	<i>185.1</i>	<i>92.1</i>	<i>125.2</i>	<i>176.9</i>	<i>232.8</i>	<i>152.7</i>	<i>82.6</i>	<i>95.3</i>	<i>123.9</i>
<i>Manitoba</i>	<i>1.9</i>	<i>3.3</i>	<i>5.1</i>	<i>10.0</i>	<i>10.4</i>	<i>2.7</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>
<i>Western Canada</i>	<i>306.4</i>	<i>202.2</i>	<i>107.1</i>	<i>154.3</i>	<i>226.1</i>	<i>286.7</i>	<i>183.8</i>	<i>108.2</i>	<i>122.3</i>	<i>161.0</i>
	<i>Canadian Exports</i>									
	<i>99/00</i>	<i>00/01</i>	<i>01/02</i>	<i>02/03</i>	<i>03/04</i>	<i>04/05</i>	<i>05/06</i>	<i>06/07</i>	<i>07/08</i>	
<i>'000 Tonnes</i>	<i>169.4</i>	<i>150.81</i>	<i>170.7</i>	<i>114.0</i>	<i>121.2</i>	<i>119.0</i>	<i>133.1</i>	<i>152.9</i>	<i>168.2</i>	

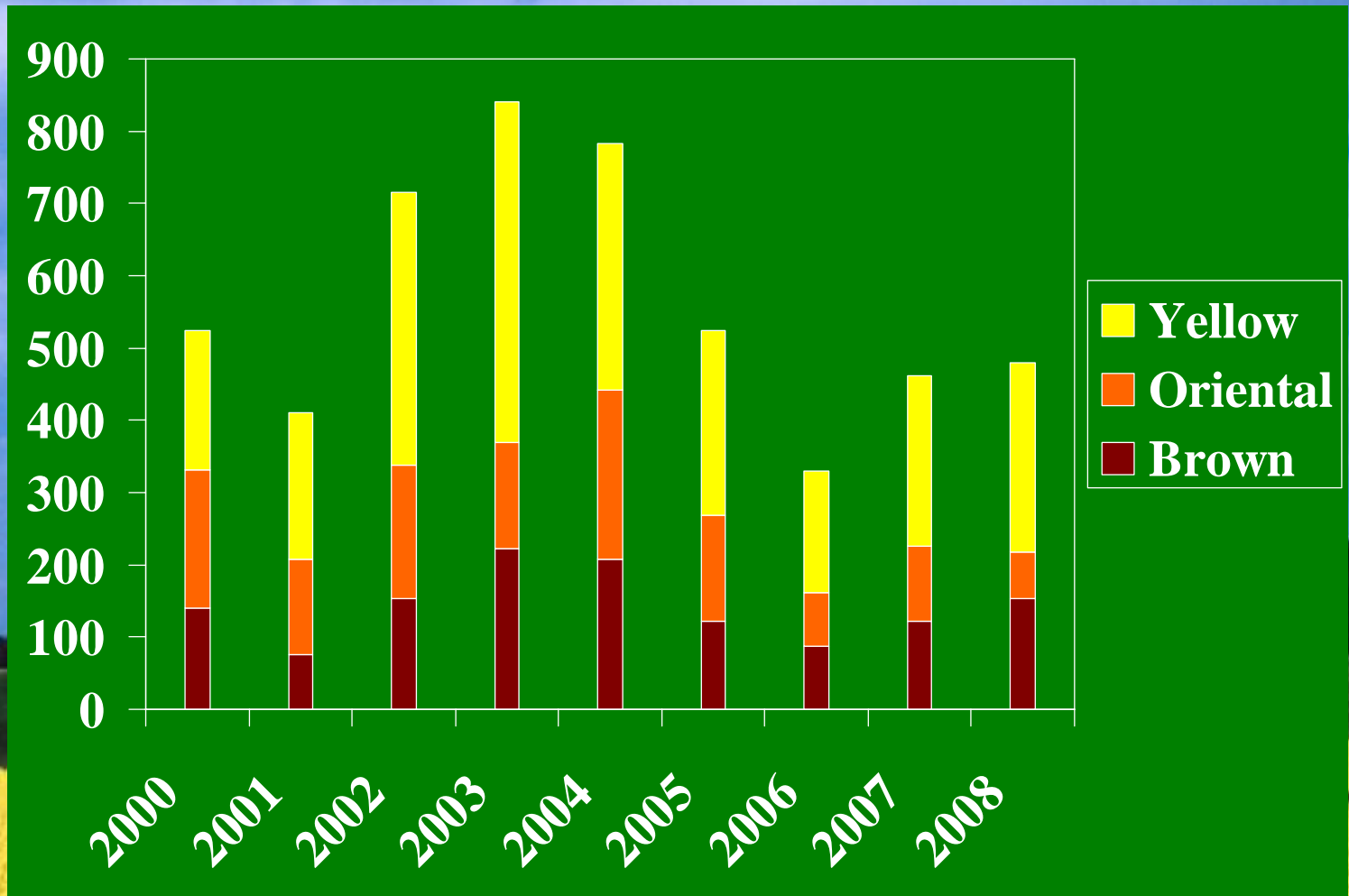
*B) Weather/
Climate
Update*

*C) Acreage
Trends*



Canadian Seeded Acres

**Total
Seeded
Acres
(M)**



Year of Crop

D) Current Prices

Figure 18:

Mustard Supply and Disposition, Western Canada

<i>Year</i>	<i>Aug 1 Stocks</i>	<i>Harvested Acres</i>	<i>Production</i>	<i>Imports</i>	<i>Total Supply</i>	<i>Exports</i>	<i>Domestic Use</i>	<i>Seed</i>	<i>FWD*</i>	<i>July 31 Stocks</i>	<i>Stocks/Use</i>
	<i>(000 tonnes)</i>	<i>(thousand)</i>				<i>thousand</i>	<i>tonnes</i>				
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	398.0	107.1	3.2	214.2	170.1	4.5	3.1	3.0	33.5	19%
2002/03	33.5	630.0	154.3	4.2	192.0	114.0	17.0	3.4	22.5	35.0	22%
2003/04	35.0	810.0	226.1	1.5	262.6	121.2	15.0	3.4	33.0	90.0	52%
2004/05	90.0	703.0	286.7	1.3	378.0	119.0	19.8	2.2	46.0	191.0	102%
2005/06	191.0	465.0	183.8	0.2	375.0	133.1	18.0	1.5	32.4	190.0	103%
2006/07	190.0	320.0	108.2	1.3	299.5	152.9	20.5	2.1	33.0	91.0	44%
2007/08	91.0	460.0	122.3	0.4	213.7	168.2	8.0	2.2	8.3	27.0	14%
2008/09	27.0	460.0	161.0	0.4	188.4	140.0	9.0	2.1	9.0	28.3	18%

**FWD – Feed, Waste and dockage.*

Part III - Market Prospects



A) Competition Prospects

- Other Grains
- Eastern Europe

B) New Demand

- Bio diesel
- Edible oil
- Food Products
- Industrial Products

C) Demand changes

Figure 17: Canadian Mustard Exports Top 20 Destinations by Crop Year

		2006-2007	2007-2008	
		tonnes	tonnes	
	<i>World</i>	152,931	<i>World</i>	168,189
1	<i>United States</i>	71,359	<i>United States</i>	70,237
2	<i>Belgium</i>	25,852	<i>Belgium</i>	34,882
3	<i>Germany</i>	15,812	<i>Germany</i>	21,352
4	<i>Japan</i>	6,386	<i>Netherlands</i>	8,374
5	<i>Netherlands</i>	5,980	<i>Japan</i>	6,116
6	<i>India</i>	4,172	<i>Bangladesh</i>	4,341
7	<i>Bangladesh</i>	3,899	<i>Thailand</i>	2,823
8	<i>Thailand</i>	3,610	<i>France</i>	2,699
9	<i>Korea, South</i>	2,699	<i>Korea, South</i>	2,052
10	<i>France</i>	2,345	<i>Venezuela</i>	1,422
11	<i>United Kingdom</i>	1,593	<i>Switzerland</i>	1,416
12	<i>Senegal</i>	1,466	<i>Senegal</i>	1,322
13	<i>Australia</i>	1,065	<i>India</i>	1,302
14	<i>Venezuela</i>	1,025	<i>Poland</i>	1,213
15	<i>Poland</i>	571	<i>United Kingdom</i>	1,112
16	<i>Brazil</i>	569	<i>Australia</i>	773
17	<i>Finland</i>	492	<i>Greece</i>	566
18	<i>Sri Lanka</i>	467	<i>Morocco</i>	551
19	<i>Morocco</i>	326	<i>Russia</i>	509
20	<i>Peru</i>	296	<i>Brazil</i>	473

D) Market Prospects






Yellow Mustard Table

<i>Less than</i>	<i>30 cents/lb</i>	<i>15%</i>
<i>Between</i>	<i>30 cents/lb and 35 cents/lb</i>	<i>20%</i>
<i>Between</i>	<i>35 cents/lb and 39 cents/lb</i>	<i>30%</i>
<i>Between</i>	<i>39 cents/lb and 45 cents/lb</i>	<i>20%</i>
<i>More than</i>	<i>45 cents/lb</i>	<i>15%</i>

Brown Mustard Table

<i>Less than</i>	<i>20 cents/lb</i>	<i>15%</i>
<i>Between</i>	<i>20 cents/lb and 28 cents/lb</i>	<i>20%</i>
<i>Between</i>	<i>28 cents/lb and 32 cents/lb</i>	<i>30%</i>
<i>Between</i>	<i>32 cents/lb and 40 cents/lb</i>	<i>20%</i>
<i>More than</i>	<i>40 cents/lb</i>	<i>15%</i>

Oriental Mustard Table



<i>Less than</i>	<i>20 cents/lb</i>	<i>15%</i>
<i>Between</i>	<i>20 cents/lb and 28 cents/lb</i>	<i>25%</i>
<i>Between</i>	<i>28 cents/lb and 32 cents/lb</i>	<i>30%</i>
<i>Between</i>	<i>32 cents/lb and 40 cents/lb</i>	<i>20%</i>
<i>More than</i>	<i>40 cents/lb</i>	<i>10%</i>

- Contracting





End