

THE PULSE

newsletter



>>> CDC IBERINA, SPANISH BROWN GAINING MOMENTUM

We are excited about the prospects for CDC IBERINA to improve profitability for our customers this year. This is due to a long term commitment to work closely with the CDC (Crop Development Centre) to improve the performance of this variety. The most genetically advanced version is called SB3 (SPANISH BROWN 3RD GENERATION).

Here are the agronomic strengths of SB3:

- > SB3 yields 99% to 101% compared to CDC Maxim red lentil
- > Clearfield herbicide resistance
- > Good stand ability due to strong stems and slightly taller
- > Matures in just 85 to 90 days
- > Small seed requires only 50 to 60 lbs of seed/acre
- > Brown seed coat helps to attain a No. 1 Grade for premium prices
- > Good disease resistance

The market outlook for CDC Iberina looks better than ever. Here are the reasons for us to be optimistic.

1. Global stocks are completely exhausted. This means we already have demand for new crop.
2. Total consumption in Spain is 30,000 MT. Spanish growers planted their crop in December and will harvest in June. But they will only produce 10,000 MT.
3. Our main competition is from United States growers. With that in mind, we have a weak Canadian dollar, 78 to 80 cents, which makes us more competitive vs. the U.S. growers.
4. U.S. growers are using out dated varieties with poor genetics with lower yields and lower resistance to disease.(ascochyta blight)
5. Simpson Seeds Inc. production contracts limit Canadian acres so we do not create over production

We have a production contract program to help manage price risk. At the moment, CDC Iberina looks to be one of the best returns per acres.

>>> Food Safety and HACCP

The Global Food Safety Initiative has grown in popularity in recent years. As consumers become educated about their food, they are taking an interest in how their food is grown and in the supply chain all the way to the plate in front of them.

Our international customers have put more emphasis on food safety and certification programs that support this initiative. Simpson Seeds, over the past 2 ½ years has undergone the process, implementation and audits to achieve HACCP certification at our Farm Plant Facility.

What is HACCP and how does this affect you? It stands for Hazard Analysis Critical Control Points. A thoroughly documented process and procedure for buying product to receiving, cleaning and shipping the product. The process targets areas to eliminate or limit the potential for any items that are physical, chemical or biological. Given these items, we do look for the presence of any fertilizer or treated seed upon receipt of grain. These are considered chemical hazards that can cause illness. Typically spring is the time of year when there is a higher likelihood these items could appear in a load of product as seeding time means transporting both fertilizer and treated seed to gear up for planting. However, it is important in this season that extra care and precautions are taken to clean down trucks in between these loads. In the case of fertilizer, ensure the truck is swept out thoroughly, including tops and corners. If you have hauled treated seed, it is required the truck be washed with soap to remove any residue and remove any treated seeds that may be hung up. Unfortunately, if levels of fertilizer or treated seed are found in loads upon receipt at our facility, they will be rejected and you will be notified.

While these measures may seem extreme, it does help to bring food safety awareness to everyone in the supply chain. The lentils and other grains we grow are essential to feed people around the globe. By taking preventative measures, it ensures the food we are shipping is safe for human consumption and customers won't have to worry about potentially consuming items that could cause them harm.

**We are proud to ship quality product
from Saskatchewan to the world!**



>>> Crop Production Contracts

SIMPSON SEEDS INC. 2015 CROP PRODUCTION CONTRACT PROGRAM

All Production Contracts (PD) with an Act of God (AOG) clause are for 500lbs/acre and contain a first and last right of refusal on the balance of production on the contracted acre.

All prices listed below are in cents per pound and on a delivered Swift Current or Moose Jaw basis. Price levels are subject to change without notice:

PD with AOG		Deferred Delivery Contract	
LARGE GREEN			
#1	28	#1 90% 15/64RH or larger	30
#2	25	#1 80%-89% 15/64RH	29
Extra 3	20		
#3	17		
SMALL GREEN			
#1	25	#1	26
#2	23		
Extra 3 and #3	No Bid		
RICHLEA			
#1	26	#1	27
#2	23		
Extra 3 and #3	No Bid		
WHOLE RED LENTILS (not extra small varieties i.e. Robin, Imperial, Impala, etc.)			
#2 OB	25	#1	27
		#2 OB	26
Extra 3 and #3	No Bid		
IBERINA			
#1	28		
#2	25		
CANARY SEED			
Maximum 0% hulled/1% dockage		20	



>>> Seed Available

BROWN FLAX

We have certified Flax available. CDC Sorrel - This is a popular reconstituted variety. Flax is a hardy crop and a good risk management option, for those looking to lower risk on disease, flooding and frost.

LENTILS AND PEAS

In addition to flax we have some good lentil varieties available.

SMALL GREEN LENTIL - CDC INVINCIBLE, CDC ASTERIX

FRENCH GREEN LENTIL CDC PERIDOT CL

SPANISH BROWN 3 CL

This new variety comes with attractive production contracts, and SSI exclusive marketing opportunity. This small seeded lentil is similar to maxim in yield. Clearfield Technology meaning - Imidazolinone Resistant.

YELLOW PEAS

We also have yellow peas - CDC Saffron Peas - a new variety bringing pea yields into a competitive crop in our area.

CEREALS

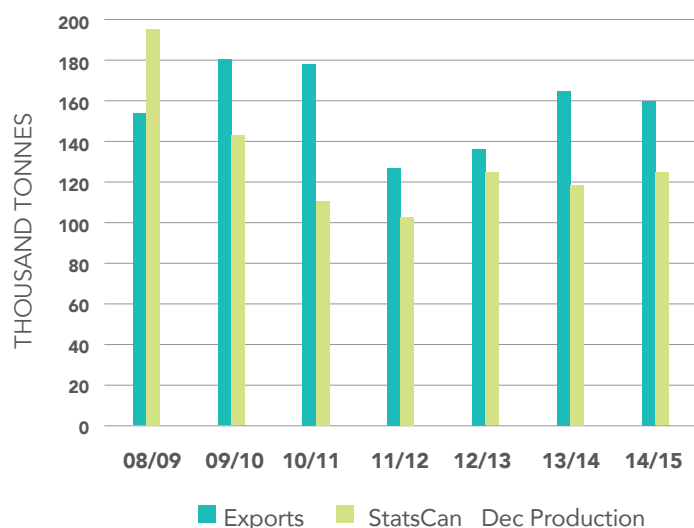
One cereal option that we do have is Certified Pasteur - a top yielding variety that can be an offset on your farm to the more quality sensitive hard red wheat or durum markets.



Canary Seed & Lentil Market Outlook

It has been difficult over the past 4-5 years to completely follow the Stats Canada estimates for Canary Seed. Below is a chart that shows Canadian Export volumes vs. the Stat Can production estimates. As you can see, we have exported more than we have produced for the past 5 years. This can't be possible, so the only explanation is that the production estimates have been too low year after year.

CANARY SEED EXPORTS & PRODUCTION ESTIMATES



In talking with other industry participants and reading what statisticians are reporting, we have been able to put together the following Supply and Demand for 2015/16 Canary Seed.

CANARYSEED SUPPLY/DISPOSITION 2015/2016

CARRY IN	5000 MT
SEEDED ACRES	340,000 AC
PRODUCTION	162,000 MT
TOTAL SUPPLY	181,000 MT
SEED, FEED, WASTE	13,500 MT
TOTAL EXPORTS	130,000 MT
TOTAL USAGE	163,500 MT
CARRY OVER	17,500 MT
STOCK/USE RATIO	10.7%

The above S&D would suggest that we will still produce enough volume to satisfy our export demand. This does not lend itself to volatile pricing, but more to a normal range of 19-23 cents/lb. as we have seen over the past 3-4 years.

The above chart is clearly pointing to a significant increase in lentil acres. There won't be virtually any stock of lentils left in Canada by the end of the crop year. There will be pent up demand for good quality lentils as soon as harvest begins. If the growing and harvest conditions are normal, we can expect prices to fall back to normal trading ranges. Weather is going to be the determining factor so we will all be watching closely for any signs of abnormal conditions. Seeding could start in late April on the western edge of Saskatchewan. This will result in early maturing lentils being harvested in the first week of August.

LENTIL SUPPLY/DISPOSITION 2015/2016

CARRY IN	75,000 MT	
SEEDED ACRES		
LARGE GREEN LENTILS	910,000 AC	495,000 MT
MEDIUM GREEN LENTILS	46,000 AC	27,000 MT
SMALL GREEN LENTIL	200,000 AC	137,000 MT
SMALL RED	2,450,000 AC	1,670,000 MT
OTHER	29,000 AC	13,000 MT
IMPORTS	-	10,000 MT
TOTAL	3,635,000 AC	2,352,000 MT
SEED		130,000 MT
DOMESTIC UTILIZATION		160,000 MT
EXPORTS		1,828,000 MT
TOTAL USAGE		2,128,000 MT
CARRY OVER		299,000 MT
STOCK/USE RATIO	14.1%	

>>> Growing Together Initiative



Simpson Seeds Inc. is focused on our customers' needs and we are getting lots of feedback suggesting that we need to grow to meet customers' demands. Our growers have come to enjoy the service we provide so we have made major investments to our facilities to increase our capacity.

Our original plant built in 1979 was in need of a scale upgrade. The new scale is 100 feet long with an in deck pit. Unloading trucks will be fast and convenient with a new leg capable of unloading a truck in 45 minutes. We have connected the receiving system to an additional 50,000 bushels of storage as well.

An additional 850 MT of storage has been added to our warehouse at Railsite. This new storage will increase our efficiency and increase our ability to service many of our customers internationally and domestically. We have replaced some of our processing equipment to increase our output and to increase the precision of the separators.

Swift Current also has a significant expansion added as well. We have recently completed a state-of-the-art bulk hoppercar and bag packaging system.

Shipping capacity has been a bottleneck in the past, but not anymore.

These improvements are just the tip of iceberg. We have invested in many other technologies to increase our capacity that will result in our ability to serve our valued customers better.



Simpson Seeds Inc. was a winner of Canada's Best Managed Companies program in 2012 and Requalified in 2013 to maintain our status as a Best Managed Company.



Simpson Seeds would like to wish everyone
a safe and prosperous seeding season



Restore OUR Land

2015 SEED BLESSING

WITH GUEST SPEAKER:
REV. DR. ALISTAIR P. PETRIE
"THE HARVEST IS COMING
- DON'T GIVE UP"

FRIDAY APRIL 17
7:00 TO 9:00 P.M

VICTORY CHURCH
637 MAIN STREET NORTH

HOSTED BY
GREG & MAUREEN SIMPSON
CONTACT # 306.693.2314