

FORAGE EXPORTS | SOUTH AFRICA

# Man. turf at World Cup

## Seed company finds fame | Soccer players test out ryegrass

BY ROBERT ARNASON

BRANDON BUREAU

Terry Scott had no idea what to expect when his seed company sent out a news release this spring.

Pickseed, which produces forage and turf seed, announced that the world's best soccer players would be playing on fields sown with ryegrass seed from Manitoba when the World Cup was held in South Africa this year.

Since the news release was distributed, *The Globe & Mail*, CNN, CBC and other national media outlets have picked up the story, granting Pickseed more than a few minutes of fame.

"We've been overwhelmed by the interest," said Scott, Pickseed's director of western sales.

"I suppose we (Canada) don't have a soccer team in the World Cup and maybe this is our best tie-in to the World Cup this year."

The attention shouldn't be a surprise, considering that the World Cup is the biggest sporting event on the globe, larger than the Olympics. It attracts 20,000 journalists and a cumulative audience of 26 billion for the 64 matches.

Seed Research, a division of Pickseed located in Oregon, devised the

grass blend for the South African stadiums and practice fields. The players will run, slide, dribble and kick on a blend that is 85 percent perennial ryegrass and 15 percent Kentucky bluegrass.

Ryegrass was chosen because it grows rapidly and holds up well in cold weather. It is now winter in South Africa.

Manitoba growers grew the ryegrass seed, including Brad Rasmussen of Starbuck, who told the *Globe & Mail* that he doesn't follow soccer but will watch to get a glimpse of the grass.

"I want to watch and see what the field looks like."

Scott said the flurry of attention has been exciting, but the turf grass seed for the World Cup represents a fraction of Pickseed's sales.

"The soccer pitches for the World Cup, it's in that neighbourhood of 165,000 pounds that we supplied," he said. "That's a nice order for us, but it's not a huge amount of our business."

Pickseed and other companies in Manitoba's seed industry have exported turf and forage seed for years.

As a result, Manitoba Seed Growers Association president Craig Riddell said it's not a surprise to those in the business that some of it would wind

up in South Africa.

"We know a lot of it is destined for international markets," said Riddell, a forage seed grower near Warren, Man.

"For Manitoba, it's quite a high value sector."

Growers in the province had average annual sales of \$18 million in grass seed and \$7.7 million in legume seed between 2006 and 2009, based on Manitoba Forage Seed Association data.

Doug Cattani, a forage seed specialist with Manitoba Agriculture, said producers grow 125,000 to 200,000 acres of forage and turf seeds in most years.

That's not as large as crops such as canola, but Manitoba's forage seed growers have a solid reputation in Europe, Asia and North America.

"We've got a long history of growing seed in Manitoba for export," Cattani said.

"We have a knowledgeable producer base.... And we're known around the world for producing reliable crops."

Like billions of others, Scott will be watching soccer over the next few weeks, but not just to monitor how the grass holds up. He is a soccer fan and has taken Spain in his World Cup pool.



Ingrid Hillerup and Terry Scott of Pickseed spread a few perennial ryegrass seeds outside their seed mill and warehouse in Winnipeg. Perennial ryegrass seed grown in Manitoba and distributed by Pickseed was sown into the playing fields at this year's World Cup of soccer in South Africa. | ROBERT ARNASON PHOTO

VITERRA | FINANCES

## Viterra sees dip in earnings

BY ADRIAN EWINS

SASKATOON NEWSROOM

Viterra's earnings fell 30 percent in the three months ending April 30, but chief executive officer Mayo Schmidt chose to focus on the positives in describing the period.

"The second quarter was a period in which Viterra continued to pursue both its short and long-term strategic and financial objectives," he said in a conference call discussing the quarter.

Looking beyond the bare revenue and earnings numbers, he cited key accomplishments:

- achieving \$20 million in savings from the takeover of ABB Grain in Australia;
- buying Dakota Growers Pasta Co., which will appear in financial results in the third quarter;
- investing \$20 to \$25 million US in a joint venture canola processing plant in China, scheduled to be operating in 18 months;
- buying 21st Century Grain Processing, a U.S. processor of oats, wheat, and custom-coated grain on May 27 for \$91 million.

Viterra also completed several financial transactions designed to provide increased funding and more financial flexibility, and saw its Standard and Poor's credit rating increased to investment grade.

Schmidt described the quarter's results as solid, although net earnings were \$18.4 million Cdn, down 30 percent from the same period last year. The company reported consolidated sales and other operating revenue of \$2 billion, up by \$441 million.

Revenues were \$3.8 billion in the

first six months, up 28.2 percent from the same period last year.

Earnings were \$29.1 million (eight cents per share) for the first six months, compared with a net loss of \$6.6 million in the same period last year, due mainly to a huge write-down of fertilizer inventory a year ago.

All results include North American and Australian operations.

Earnings before interest, taxes, depreciation and amortization for the second quarter were \$65 million in North America and \$28.2 in Australia.

Analyst Hari Sambasivam of National Bank Financial said the results were in line with his revised expectations but below industry consensus.

NBF retained its company ratings and \$10.50 per share target price, based on strong long-term fundamentals for grain and Viterra's strong competitive position in Western Canada and Australia.

Viterra shares closed at \$8.20 on the Toronto Stock Exchange June 9, the day of the second quarter announcement, up from \$7.70.

Schmidt said the second half of the year should be busy.

Strong grain movement in Australia is expected to continue, and seeding conditions in South Australia are good. He said grain movement is also expected to be strong in North America, although farmers in some parts of the Prairies face challenges due to excessive rainfall.

"We are supporting them by positioning our people, resources and early maturing agri-products in an effort to maximize seeded acreage over the next two weeks."

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