

# Investment, expansion show grain sector confidence

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Everywhere you look, the grain sector of Western Canada is investing in new facilities and businesses. It's a tremendous vote of confidence in the future.

New high-throughput terminals are up and running in many locations and others are under construction. Vterra and Parrish & Heimbecker are among the long-standing players to build additional facilities. New to the mix are G3 Canada and GrainsConnect.

G3 Canada, involving U.S. agribusiness Bunge and the Saudi Agricultural and Livestock Investment Co (SALIC), bought the Canadian Wheat Board a couple years ago and has been announcing new investments ever since.

With its plan to invest half a billion dollars in a new Vancouver port facility, expect the company to continue building terminals in the countryside.

Another new player is Grains Connect Canada, a strategic joint venture between GrainCorp (originally from Australia and big in the malting business) and the Zen-Noh Grain Corp. (a subsidiary of the Japanese agricultural co-operative Zen-Noh). GrainsConnect is building a terminal at Maymont, Sask., and is promising more sites in the next couple years.

Meanwhile, existing players such as Richardson and Vterra have made large investments in updated and expanded Vancouver port facilities. Expect to also see expansion in container stuffing capacity on the West Coast.

Players both big and small are investing in new fertilizer distribution facilities and/or buying existing facilities. Fertilizer demand from producers continues to grow but not as fast as the apparent growth in facilities.

On top of this, on-farm storage capacity continues to rise.

Companies must believe there will be more than enough business to go around or they wouldn't be spending the money.

The French company Roquette garnered a lot of attention when it recently announced plans to build the world's largest pea-processing plant near Portage la Prairie, Man. The \$400 million facility will concentrate on pea protein.

It's surprising that the plant is being built in a region that doesn't have a large acreage of peas, but the company no doubt took all factors, including government support, into account when choosing a location.

Pulse and specialty crop handling facilities continue to pop up across the West. Some of these will also involve aspects of secondary processing. It's actually difficult to keep track of who is building what and where.

Farm equipment dealerships are also an expanding and ever-changing picture. In addition to ownership changes, many new facilities have been built.

The equipment itself is also changing, especially tractors, where more makes and models are offered than ever before.

There's also a tremendous research investment from private companies working to develop new crop varieties, and it's not just in canola. Hybrid wheat for Western Canada is now on the horizon.

Despite challenges from weather and disease, Western Canada is growing large crops, and there have been extraordinary profits for much of the last decade. No doubt some bumps will appear in the road ahead, but more companies than ever before are showing the confidence to make long-term investments.

It's an exciting and dynamic industry. As farmers, we have the luxury of both buyers and sellers making investments to compete for our business.