

***Scared of taking  
the risk?***



*Canola*  *Commodity*  
**Challenge**  
*An online canola marketing simulation*

Historically, Canadian canola growers have sold the bulk of their production in the bottom third of the price range. While at one time this may have been attributed to a lack of marketing options, today, a grower has more alternatives than ever and that means the potential to earn much more!



Like the real thing,  
without the risk!

A 2002 survey of MB MCGA members indicated interest in more information about individual marketing (futures, options, basis).

A 2004 MCGA strategic plan identified the need for an innovative approach to presenting marketing information that increased grower confidence in using available risk management tools.



Like the real thing,  
without the risk!

Learning more about the available marketing options by committing an actual portion of production can be a scary thing for growers.

**The Canola Commodity Challenge** provided an extremely accurate reflection of the real-world marketing environment at no risk!



Like the real thing,  
without the risk!

The initial **2005 Challenge** incorporated:

- A personalized cost of production calculator allowing you to see how the decisions you make affect your bottom line.
- Real-time cash and basis quotes for Manitoba provided by **Cargill AgHorizons** and the **Winnipeg Commodity Exchange**.
- An earnings tracker providing real-time comparisons to other growers.



Like the real thing,  
without the risk!

Set to simulate real-life, real-time marketing conditions, the **Challenge** provided growers with a preset inventory of canola that they could market via the following **Cargill AgHorizons** grain marketing alternatives:

Cash Trade

Deferred Delivery

Fixed Basis

Futures First

Grain Pricing Order



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without the risk!

# Participants registered by:

- Setting up an account at [canolachallenge.ca](http://canolachallenge.ca)

**Canola Commodity Challenge**  
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Welcome to the Canola Commodity Challenge!  
This online marketing simulation is designed to improve your skills and ultimately your profitability.

Create your account today. Trading for the new and improved, Prairie-wide Canola Challenge starts November 1, 2005.

(All existing usernames and passwords still apply, if you are a new member, please create your new account below.)

[More Info](#)

**Customer Account**

Username:

Password:

[Login](#)

Forgot your Username or Password?

**New Account**

[ENTER HERE](#)

Western Producer Saskatchewan Canola Growers Saskatchewan Canola Development Commission Cargill AgHorizons

- Calculating their individual Cost of Production

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**Step 2:  
Cost of Production**

Operating Costs			Other Costs		
Item	Cost/Ac	My Cost/Ac	Item	Cost/Ac	My Cost/Ac
Seed/Seed Treatment	\$22.00	<input type="text"/>	Living Costs	\$20.00	<input type="text"/>
Fertilizer	\$35.00	<input type="text"/>	Income Tax	\$5.00	<input type="text"/>
Herbicides/Weed Ctrl	\$24.00	<input type="text"/>	Term Debt Payments	-	<input type="text"/>
Fungicide	\$25.00	<input type="text"/>	Machinery/Building Depr	\$15.00	<input type="text"/>
Insecticide	\$12.00	<input type="text"/>	Savings	\$5.00	<input type="text"/>
Fuel, Oil, Grease	\$12.50	<input type="text"/>	Operating Costs	\$162.90	<input type="text"/>
Machinery Repairs	\$10.00	<input type="text"/>	Other Costs	\$45.00	<input type="text"/>
Crop Insurance	\$4.90	<input type="text"/>			
Hail Insurance	\$2.50	<input type="text"/>			
Land Taxes	\$6.00	<input type="text"/>	<b>TOTAL COST</b>	<b>\$207.90</b>	<input type="text"/>
Custom Charges/Rentals	\$4.00	<input type="text"/>			
Drying Costs		<input type="text"/>			
Interest on Operation	\$5.00	<input type="text"/>			
Labour Costs	-	<input type="text"/>			

[Submit](#)

Once registered, the marketing tools became available for use with:

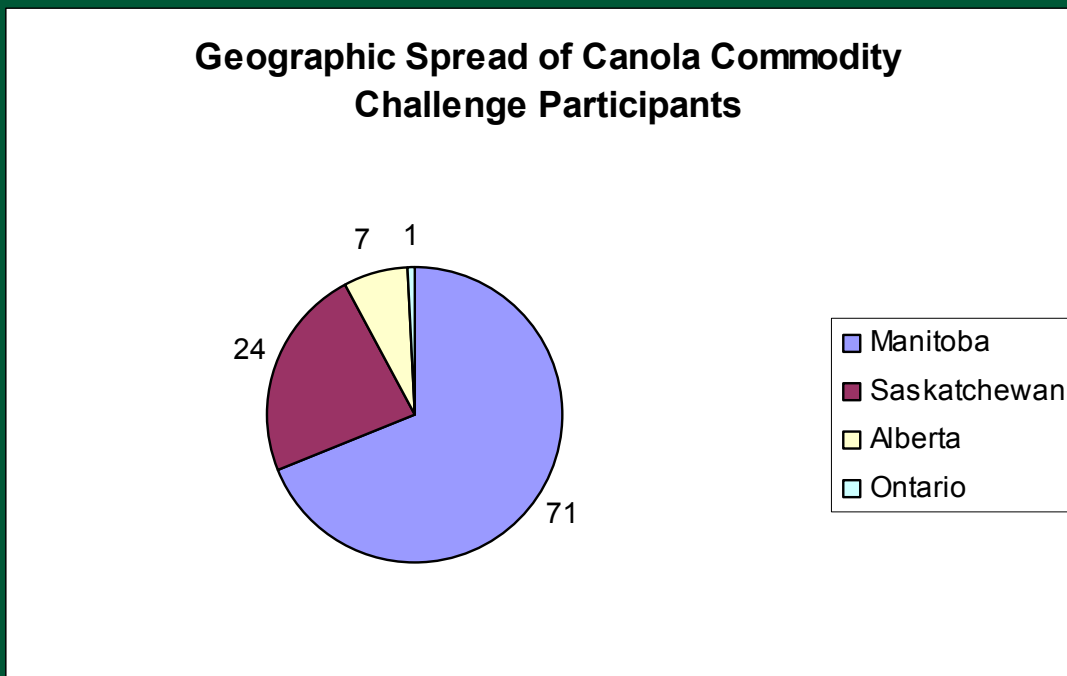
- Each participant being assigned the same number of tonnes to be marketed in a certain time frame
- No limit on the number of tools that could be used on available tonnes

A running total of priced canola was maintained at all times and posted on:

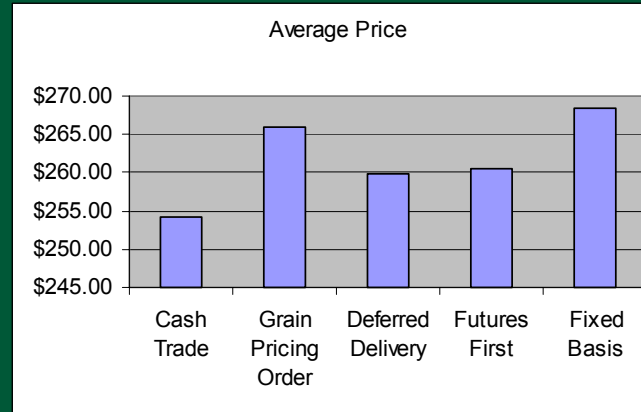
- A Top 10 list
- The participant's individual account page

On April 29, 2005, all outstanding tonnes were assigned the current cash price and the Challenge ended.

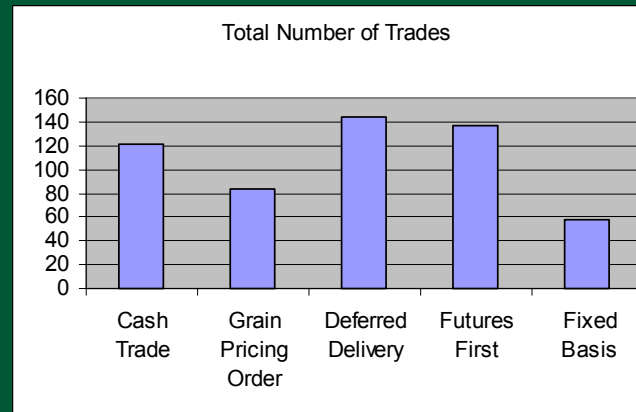
- Upon completion of the initial Challenge on April 29, 2005, over 200 participants from across the prairies had signed up and played.



- Participants who used a tool other than cash made more money



- The tool that made the most money had the fewest trades



- 70% said their level of experience increased after taking the Challenge
- 80% wanted even more marketing alternatives to explore
- 65% said they wanted to see a longer time frame or duration of the Challenge (the initial Challenge ran from Jan to Apr)

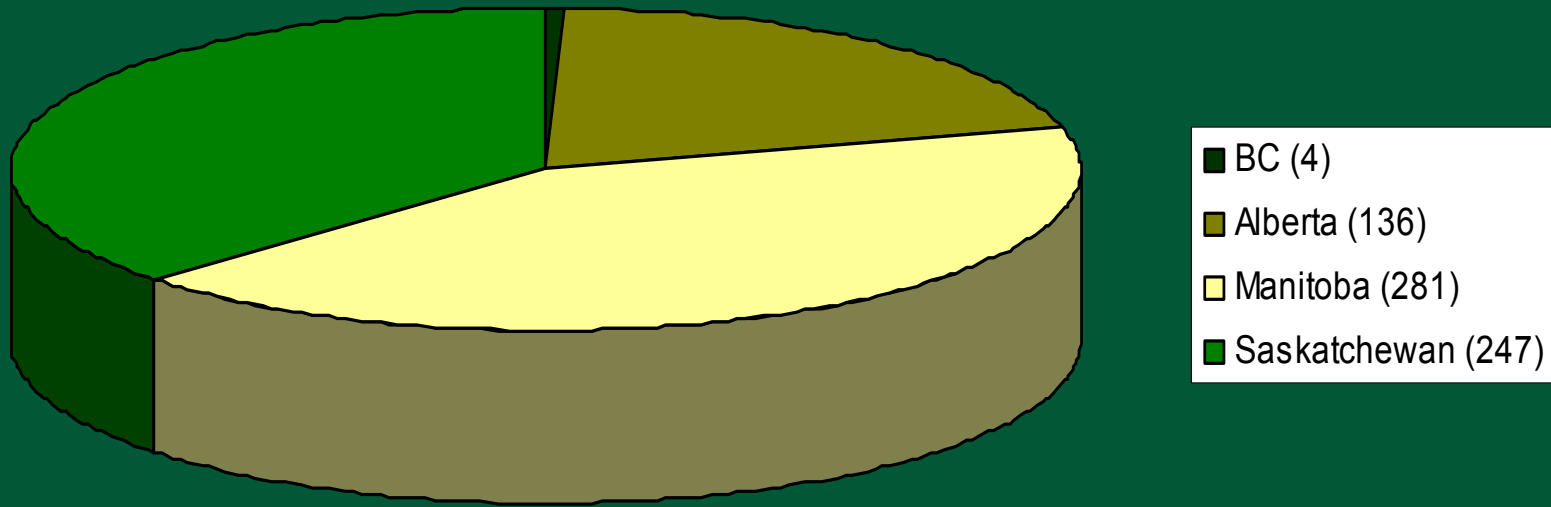
## The New and Improved 2006 Challenge

- Commenced at 7:00 a.m. Central Standard Time on Tuesday November 1, 2005
- Ended at 5:00 p.m. Central Standard Time on Friday April 28, 2006
- Launched in Alberta, Saskatchewan and Manitoba
- Included two new marketing options and province specific basis information
- Sponsors included: MCGA, SCDC, Cargill AgHorizons, Western Producer and CAT Country Radio



## A Second Challenge

Participant Origin



**Total Sign-ups:**

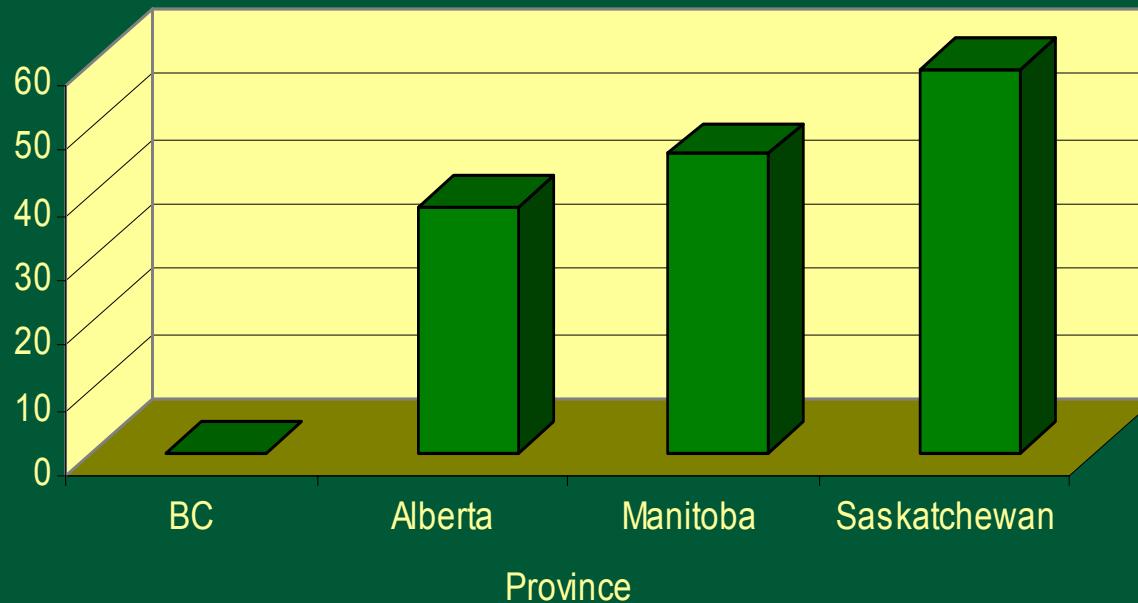
BC = 4

Alberta = 136

Manitoba = 281

Saskatchewan = 247

Active Traders (>1 Trade)



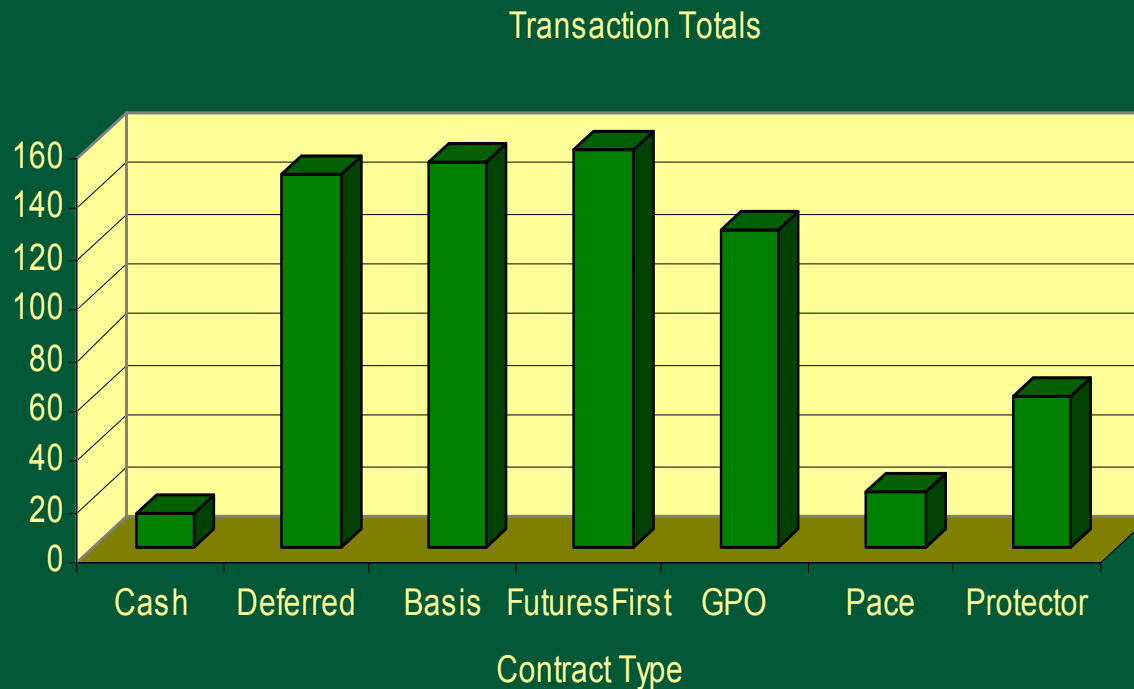
**Active Traders (those who completed >1 trade):**

BC = 0

Alberta = 38

Manitoba = 46

Saskatchewan = 59



## Total Trades Made by Contract Type:

Cash = 14

Deferred = 148

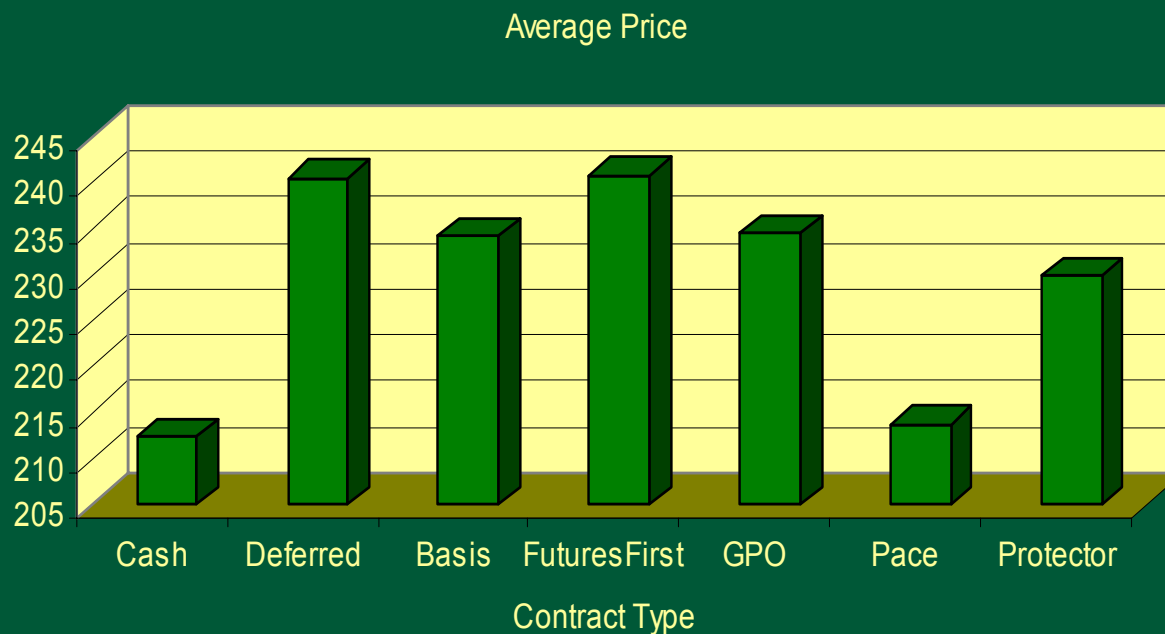
Basis = 153

Futures = 158

GPO = 127

PaceSetter = 23

PriceProtector = 61



## Average Price by Contract Type:

Cash = \$212.42

Deferred = \$240.52

Basis = \$234.18

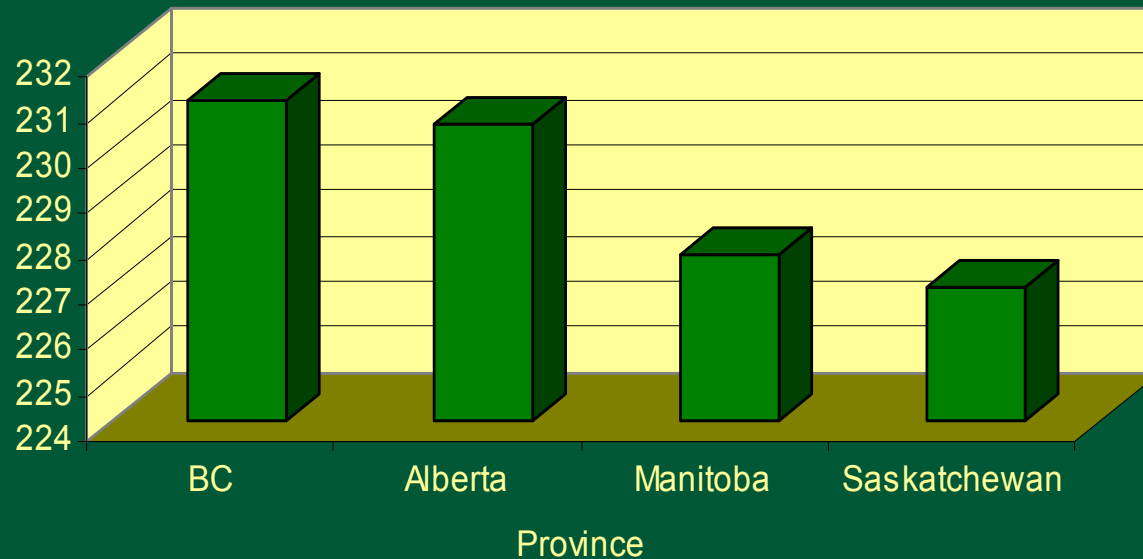
Futures = \$240.79

GPO = \$234.48

PaceSetter = \$213.80

PriceProtector = \$229.96

Average Price by Province



## Average Price by Province:

BC = \$231.04      Alberta = \$230.53

Manitoba = \$227.63      Saskatchewan = \$226.92

- Further expansion across the Prairies
- Focus on working with key Agricultural universities and colleges as a means of incorporating the Challenge into educational curriculums
- Extension to other crops and organizations (i.e. wheat, corn, etc.)

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