BUSINESS

Enterprise

HARVEST PROGRESSES

Hope for a completed harvest is growing, after a week of major gains throughout the province's agricultural areas. "There has been a fair bit of progress in areas that needed it . . ." provincial agrologist Terry Bedard said Monday. "It now looks like we could finish harvest this year in areas that may not have looked like it before." According to the province's weekly crop report, better weather helped farmers make progress in recent days and about 90 per cent of the province's crop is now harvested, up from 76 per cent from last week and only slightly below the five-year average. Harvest is furthest along in the southwest where about 99 per cent of the crops have been combined, while the northeast is lagging behind at about 73 per cent completion. Bedard said there's been huge progress made in some areas, and she estimated 95 per cent or more of the province's crops could be harvested by the end of October. According to the crop report, soft fields continue to slow harvest in the northern grainbelt. Overall, this year's crop is expected to be below average in quality, but Bedard says it will likely be better than last year.

R-CALF KEEPS FIGHTING

An American ranchers group just won't give up its fight against Canadian beef. R-CALF USA said Monday it will head back to court only days after it lost its challenge of a U.S. Circuit Court of Appeals ruling that allowed young cattle exports from Canada to the United States to resume. And R-CALF's plan will up the ante. The protectionist group wants the federal District Court in Montana to scrap the U.S. Department of Agriculture (USDA) rule that reopened the border to cattle and boxed cuts of Canadian beef. R-CALF's application will be decided by Judge Richard Cebull, who issued a temporary injunction last March that delayed the reopening of the border to live cattle for four months.

Sask Portfolio

Quotes Provided by Union Securities Ltd
www.saskstocklist.com

	Last Trade	Last Change
Sask Stock Index (Weekly)	310.83	-6.95
Ag Growth	14.20	-0.68
Cameco Corp	61.00	1.58
Churchill Energy	2.76	n/c
Claude Res	1.02	0.07
Cons Pine Ch .	0.08	n/c
Explor Resources	0.22	n/c
Fytokem Prod	0.09	n/c
Gr Wst Diamonds	0.39	-0.04
Gr Wst Min Grp	0.49	0.04
Golden Band	0.31	0.02
Hodgins Auction	0.35	n/c
HTC Hydro Tech	3.30	-0.37
Intl Road Dyn.	1.36	n/c
IPSCO Inc	74.30	2.70
JNR Resources	1.16	-0.06
Long View Res	0.53	-0.02
Potash Corp	98.75	0.55
Sk. Wheat Pool	5.91	0.01
Shane Res	0.19	n/c
Shore Gold	6.32	0.10
United Carina	0.26	n/c
Wescan Gold	0.57	0.01
Big Sky Fin	10.50	n/c
Philom Bios inc	3.90	n/c
NorthWest Term	3.50	n/c
Weyburn	24.00	n/c
Sig. SK. Op		
Agricore United	7.40	n/c
Agrium Inc	24.23	-0.20
Calian Tech	12.06	-0.15
CGI Group	8.57	0.27
Helix Biopharm	2.84	0.22
Husky Energy	57.04	0.50
Kensington Res	4.00	0.06
Mosaic (US $)	13.99	-0.05
Nexen Inc	50.04	0.91
Purcell Energy	3.25	-0.10
Talisman En	52.75	0.46
Titan Logix Crp	0.27	n/c
UEX Cp	4.22	0.07
Weyerhaeuser	73.42	0.42
Sask. LSIF's		
SaskWorks	10.06	n/c
Golden Opp	13.89	-0.01

Markets

S&P/TSX Index	10,553.44	+64.67
Dow	10,348.10	+60.76
S&P/TSX 60	594.56	+3.21
S&P 500	1,190.10	+3.53
TSX Venture	2,063.15	+5.25
Nasdaq	2.070.30	+5.47
Dollar (US$)	84.81	+0.45
Gold (NY US$)	474.10	+4.90
NYMEX N. Gas ($US)	13.887	+0.668
West Texas Oil ($US)	64.37	+1.73

Rate cap deters Cameco

❑ Uranium mining giant decides not to participate in Bruce A refurbishment

By Murray Lyons
of The StarPhoenix

Ontario consumers will likely benefit four years from now with stable electricity prices when two of Bruce Power's mothballed A units are fired up again, but Saskatoon-based uranium mining giant Cameco Corp. has decided not to participate in the $4.25 billion nuclear refurbishment.

While other investors in the Bruce Power Limited Partnership, such as TransCanada Corporation, were happy with a projected rate of return of 9.5 to 13.5 per cent at Bruce A, Cameco's senior vice-president of marketing and business development, George Assie, says those type of returns didn't meet Cameco's investment objectives.

"It worked for them (TransCanada), but it didn't work for us," Assie told analysts and reporters in a conference call. Company president and CEO Jerry Grandey was in Europe and was not able to face analyst questions on the deal announced Monday.

The Cameco decision to pull out of the Bruce A refurbishment means the four reactors in the Bruce A complex must operate under a separate partnership arrangement from the four reactors in the Bruce B building, where Cameco plans to retain its 31.6 per cent stake. Cameco officials say having two separate partnerships involved on site is relatively easy to achieve because the two Bruce reactor buildings are self-contained.

Cameco officials admitted to analysts Monday in a conference call that the Ontario government's insistence on a fixed rate of $63 a megawatt for the electricity that will start flowing in 2009 from Bruce A was the main reason Cameco won't invest in the project.

One analyst asked Assie if there wasn't a contradiction in Cameco trying to be both an investor in growth-oriented uranium mining and also in electrical utility generation where companies often have a fixed or government regulated rate of return.

"How can you compete with guys who will accept a lower rate of return?" the analyst asked.

Assie replied that Cameco sees a difference between investing in an electrical utility versus just investing in a nuclear power plant.

"We never thought of ourselves as a utility," he said. "We've always thought of ourselves as a nuclear generator."

Cameco will retain its ownership position in Bruce B, which won't be subject to the Ontario government rate cap. Bruce B power is sold into the spot market and through long-term contracts with big consumers of power. That arrangement has resulted in better than expected returns this year as Ontario power customers paid higher electrical prices due to demand and the lack of available surplus power in Ontario.

Starting this summer, the revenue from electrical sales at Bruce B began to flow directly to the Cameco bottom line in the form of monthly dividends, says Kim Goheen, Cameco's senior vice-president and chief financial officer. Goheen says third quarter revenue from Bruce is "significantly higher than in 2004."

Assie says despite Cameco's decision not to be part of refurbishing the two, 750-megawatt Bruce A reactors, which have been mothballed 10 years, the company feels the decision is good for Ontario power consumers. Cameco still wants to invest in nuclear power projects if the returns meet the company's objectives, Assie said, but he admits those investments will most likely be in the U.S. and not Canada.

Cameco will continue to retain its 31.6 per cent interest in the original Bruce Power Limited Partnership which will manage all eight nuclear reactors on the Bruce Power site near Kincardine, Ont. Cameco will also continue to manage Bruce Power's fuel procurement, but will no longer be obligated to be the supplier of uranium concentrates for the Bruce A plant.

Cameco will receive about $200 million in cash as the Bruce A partnership is restructured without the uranium company as a participant.

However, Cameco expects to log a $68-million paper loss on its Bruce A investment in the fourth quarter. The company says the carrying costs on Bruce A, including Cameco's contributions to restarting units A1 and A2 last year, plus the extensive engineering studies that went into the decision to refurbish the reactors, are greater than Cameco's expected $200 million dividend from the old Bruce A partnership.

Cameco shares closed down $1.78 Monday to $61.20 following the announcement.

Parkville Manor attractive to seniors

❑ Fourteen-storey seniors tower opens on hotel property

By Murray Lyons
of The StarPhoenix

The long-held dream of the Parktown Hotel ownership group to build a seniors tower on their hotel property has been achieved this month with the opening of Parkville Manor, a 14-storey "enriched housing" project for seniors.

Russ Muzyka and his brother, Bill, plus the extended members of the Verbeke family, have long planned for a third phase of development on their hotel property located near the foot of the University Bridge.

Extensive rain this summer held up the exterior finish of the tower by two months.

Despite that, Muzyka is happy with the end product and its price tag.

He said the original project cost was to be $16 million, but the partners made some design and amenities changes that pushed the cost upwards to $18 million.

Despite the challenges of finding labour in the latter portion of the project, structural steel price hikes and applying stucco amid rain delays, Mike Chyzowski, president of project manager Wolfe Group, says the seniors tower came in below its final budget price.

The tower includes three storeys of parking which will serve both residents of the manor and hotel guests and patrons.

That extra parking is already providing a benefit to the hotel which went through its own expansion in 1999, says Park Town manager Terry Verbeke.

The presence of parking also pleases Isabelle Mills, a retired University of Saskatchewan music professor, who sold her river condo at the Renaissance to move into Parkville two weeks ago.

"I felt I would downsize and sell my condo while I still could and not leave that up to my niece," she said, adding she plans to drive her car for some time to come.

"Some of these enriched seniors towers don't have parking for their residents."

However, what pleases Mills more than anything is the care taken to furnish the Parkville's common activity room, including the purchase of a rare (for Saskatoon) Bosendorfer piano that is worth upwards of $100,000.

"I would have been happy with a Steinway," Mills smiles, while praising the Parkville ownership for making such a piano available for occasional concerts by the city's music students and teachers.

—SP Photo by Richard Marjan

Isabelle Mills, a retired University of Saskatchewan music professor, is a resident of Parkville Manor

Mills is already busy planning a concert for next month where one of her former colleagues, present-day music professor Barbara Nicholson, will play the piano.

Mills said it was the right time for her to make the move from condo living to enriched housing where three meals a day are provided.

Rather than worrying about what to make for lunch, Mills says she will have more time for a music history she's been working on for years.

"I've just got a new iMac (computer) and I want to get working on a project I started years ago to catalogue the ethnic music of Saskatchewan."

That type of initiative is also music to the ears of Tim Hatcher, the wellness manager for Parkville. He says residents are going to be encouraged to keep "mind, body and soul" sharp and he sees his role as more than just being a recreation co-ordinator.

Hatcher will also be the main liaison between residents and medical professionals.

Costs for Parkville's array of enriched living services range from $1,360 a month for a small studio apartment to $2,789 for the two-bedroom unit.

A second person in the suite adds $450 to the cost and that can be a spouse or a friend, says Judy Camp, Parkville's director.

That kind of monthly cost is not out of line for market rent, plus the "enriched" type of services being provided, says Muzyka.

"Most of our residents will be retired people with the means to afford this type of accommodation," he said.

He adds that many of the residents will move directly to Parkville from their own house or condo and thus have home equity, plus private pension or other savings, to help pay the accommodation costs.

Muzyka, now retired from management of Nu-Fab Building Products which he founded with his brother Bill, says the investors expect it will take 18 months for the Parkville to reach 85 per cent occupancy.

Al-Katib named Young Entrepreneur of the Year

By Bruce Johnstone
Saskatchewan News Network

REGINA — For someone who just turned the ripe old age of 33, Murad Al-Katib has overcome a lot of obstacles and received a lot of recognition as president and CEO of Saskcan Pulse Trading Inc. of Regina.

"January 2003 was our first load of red split lentils. To go from that to being the second-largest exporter in the world, . . . yeah, we've had to overcome some challenges," Al-Katib said in a recent interview.

During the last three years, Al-Katib and Saskcan Pulse have won numerous awards, including Exporter of the Year from the Saskatchewan Trade and Export Partnership and Business of the Year from the Saskatchewan Chamber of Commerce.

So Al-Katib was both "gratified and humbled" to be named Young Entrepreneur of the Year for Saskatchewan by the Business Development Bank of Canada (BDC). The official announcement is to be made today in Calgary.

"BDC has been one of our lenders right from the very first day," Al-Katib said. "The fact that they took a chance on a start-up like (Saskcan) . . . (and) to be recognized by one of your major partners, is nice."

While thankful for the recognition, Al-Katib was modest about his own contribution to winning the award.

"(BDC's Young Entrepreneur of the Year award) singles you out as a person, but really my company is entrepreneurial. All the people working here, this is the kind of spirit that we have. We don't do things by the book. We find out ways to get things done."

One of things Al-Katib and Saskcan have done since the company was incorporated in 2001 is help boost production of pulse crops — especially red lentils — in Saskatchewan and Canada. "We're predicting another 20 per cent rise in acres (planted to red lentils)," he said. "We have about 500,000 acres of red lentils planted in Saskatchewan. We expect that acreage to go up to 600,000 acres next year."

From a relatively minor specialty crop five years ago, Canada's lentil production has grown to 600,000 tonnes a year.

"This year, we'll export about 20 per cent of Canada's total lentils. And about 80 per cent of our lentil exports are red (lentils)," Al-Katib said. "This has become a $1-billion industry in Canada."

And Saskcan has grown along with it. The company is not only the largest processor and exporter of red lentils in the Western Hemisphere, it's second only to its sister company, Arbel of Turkey, as the largest exporter of red lentils in the world.

(REGINA LEADER-POST)