From Producer to the World

Alliance GRAIN TRADERS

P.O. Box 30029
Regina, SK CANADA S4N 7K9
www.alliancegrain.com

Phone: (306) 525-4490
Fax: (306) 525-4463

Alliance Grain Traders
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Speakers:

Murad Al-Katib
President and CEO

Gaetan Bourassa
Chief Operating Officer

Lori Ireland
Chief Financial Officer

Omer Al-Katib
Director Corporate Affairs and Investor Relations

OPERATOR:
At this time, I would like to turn the conference over to Mr. Omer Al-Katib, Director, Corporate Affairs, Investor Relations. Please go ahead, Mr. Al-Katib.

OMER AL-KATIB:
Thank you. Good morning and thanks for joining us and welcome to our First Quarter Conference Call. On the line with us today, we have Murad Al-Katib, President and CEO of Alliance Grain Traders, Lori Ireland, our Chief Financial Officer and Gaetan Bourassa, our Chief Operating Officer.

Before we get started, I would like to remind everyone that today's call may include forward-looking statements. Such forward-looking statements are given as of the date of this call and involve certain risks and uncertainties. A number of factors and assumptions were applied in the formulation of such statements and actual results could differ materially. This call may also include references to certain non-IFRS financial measures.

For additional information, with respect to forward-looking statements, factors and assumptions, as well as reconciliation to IFRS measures, we direct you to our news release, our website, as well as our recent filings on SEDAR.

With that, I'll turn things over to Murad for some comments and then we'll go to questions.

MURAD AL-KATIB:
Thank you and good morning. The 2010 year was truly a tumultuous year the agricultural sector around the world, weather events not seen in decades in most origins around the globe, dramatic food inflation driving prices for staple foods up in many markets, ultimately leading to political unrest, volatile markets with unprecedented price volatility, uncertainties surrounding supply quality and quantity. The year was certainly challenging for all agribusiness companies, including ours, but as spring brings renewal, we see a new year as the start of resetting the slate and continuing our path to grow a strong and viable business.

Earnings and operations through 2010 have been dramatically affected by these issues and conditions, but we have always remained committed to our strategy as the correct one for the company; diversification of origins, depth of distribution focusing on destination markets and how to best service them, ensuring that our facilities, capacity and utilizations are effectively used, maintaining the high barriers to entry in our competitive environments and managing our risks overall. These are the key components of our strategy.

The depth of experience we have at all levels of our company and the market intelligence we've been able to obtain, through our operations, told us the global -- that global demand cannot remain unfilled. The products we produce are staple foods; traditional vegetable protein that the population of the world needs and consumes.

We are pleased to report, with our results from Q1 2011, that we're seeing a slow but steady resumption of more normalized business conditions in our operations in all origins. Many of the issues we saw in 2010 are resolving themselves with new supply and buyers coming back to the markets. We are optimistic this will continue through the second half of 2011 and assist us in executing our business strategy.

With these more normalized conditions, we're also pleased to report, in the first quarter of 2011, sales of $168.1 million and adjusted EBITDA reported at $14.2 million. Our first quarter 2011 financial results are available on SEDAR, and from our website at www.alliancegrain.com. But conditions are not completely corrected yet. There's much work to do to fully normalize our operations and ensure that demand for staple foods and protein are filled and local market stocks and end-use markets are actually replenished.

We have provided detailed information on our MD&A with respect to market outlooks in the various origins we operate, and I would like to highlight some of the major upcoming conditions for 2011, that is the basis for our optimism. I'm also going to ask Gaetan to give us a comment in a few minutes.

The quality of the 2010 crop and overall conditions certainly presented challenges for us throughout the year. The high quantity of low or highly variable quality product from many origins was a challenge for processors, such as AGT, as well as to our customers worldwide. With volatile pricing for pulses and staple foods through 2010, buyers purchased hand-to-mouth, filling only the barest minimums of stocks as they kept an eye on the markets for both buying opportunities and to ensure they didn't get caught with high-priced inventories.

Presently buyers have their eye on new crop in Canada, the U.S. and Australia and Turkey, and the world is closely following the early signals from all of these origins to plan their buying activities for the year. And normalization of quality and quantity in all origins, particularly Canada, the U.S., Australia, will certainly assist us in increasing our overall global capacity utilization and velocity for our facilities.

As we have stated many times, with the high-fixed cost nature of our business, capacity utilization, velocity and processing efficiency are key components to our positive results. While the 2010 year created challenges that we overcame, we're optimistic that 2011 will create opportunities that we may capitalize on.

Acreage is coming down in Canada this year, after breaking records for planting in 2010. However, as we've indicated in the past, supply fluctuations are a part of agriculture. Farming is a business that each year farmers make decisions about what they will grow and what will make them money. However, they're not short-sighted and chasing the dollar. Rather, they make their decisions based on what high-value crops are in demand and balance it against their rotational needs for their sustainable farming operations.

After a record seeding in 2010, a temporary break from growing pulses may be what some farmers need to correct their rotations. Some of the farmers have seeded lentils on lentils in back-to-back years to capitalize on high returns in 2008 to 2010. Many outlets are reporting a decrease in lentil acres and the late seeding, due to the late spring, may further affect acres. However, we have to note, farmers are still evaluating cropping options for 2011, seeding is still ongoing, and recent reports are that with reasonably good weather over the past few weeks, farmers have made excellent progress on seeding activities. A positive start to our season is a key part to a positive marketing season in the fall.

Based on information available, what we expect for this year is a return to the year-on-year growth levels in pulses, in terms of acres, production volumes and quality. The lentil acres projected by StatsCan are estimated at 2.7 million acres. Some industry sources estimate that it may fall lower. But this production still represents significant available product.

Canadian farmers understand the importance of pulses in Canadian agriculture and this importance is being also reiterated by farmers in other origins, with estimates in pulse production in the U.S., Australia and China to increase. Overall, these developments, coupled with normalization of production volumes in Turkey, are sufficient to provide ample lentil and pulses production volumes globally for AGT operations, especially considering increases in seeding intentions for lentils in the U.S. and Australia and carry-in stocks from North America.

These can be considered key developments, based on the significant investment AGT has made operationally in these markets.

With regards to operations to the fall period, when new crop products are available, normalized production in Turkey and high levels of carry-in stocks in Canada, the U.S. and Australia provide supply that can be processed and potentially upgraded through our value-added processing facilities to fill continued short-term buying that is estimated to continue through the spring, summer.

Outside of our strong growth potential for our pulse business, we cannot forget about the diversification opportunities that continue to present themselves as a result of our long-term planning to strengthen our positions in new commodities, rice, in our pasta business, bulgur wheat business and entries into new distribution opportunities in markets like India, China, Southern Africa and South America.

Our continued focus on diversified offerings like beans and chickpeas as well as packaged retail food business and ingredient business, will further assist us in providing the potential for smoothing our earnings throughout the years. New markets and new opportunities do exist and we're working to uncover those that best fit with our abilities and the strengths of our company. And we will continue down the path of growth and development in these new areas.

I want to call on Gaetan Bourassa, COO of AGT to give us a quick update on some of the markets. Gaetan?

GAETAN BOURASSA:
Thanks, Murad. I'll start with a quick summary of our origins and operations.

Working with Canada, Canada's off-grade of peas, beans, lentils and chickpeas, we were able to gain a little bit more velocity in Q1 compared with the previous quarter. While the lentil markets softened in value over this period, we were still able to secure business and properly manage the purchases and quality through our facilities, resulting in a return to more normal margins.

As Murad mentioned, millers at destination continue buying just enough product to cover monthly requirements. Also, green whole lentil consuming markets are slower moving on account of the overall poor visual appeal of the 2010 product. However, AGT is well equipped to gently process and upgrade many of these lots, to meet customer expectations, as evidenced in quarter one.

A full -- after a full year of processing Canadian beans, we are very pleased with the performance of the operations in Manitoba. We have met internal volume targets and have also made strides in developing our North American chickpea program, with the help of this capacity.

Until new crop is coming this fall, there are good stocks of pulses available on the farm to process and upgrade. Looking at new crop, we expect pulse acres to be less than last season, on account of higher cereal and canola prices, coupled with some acres being lost to extreme wet land. However, with the expected carry out of lentils, the overall supply will be more than sufficient for the next marketing year. In the U.S., our operations continue to run near -- at near capacity. With this, we are looking closely at the geography for a second location, to be finalized some time in 2011 - 12.

Also, we are continuing -- we will continue to look down the value chain at ingredient markets and new distribution channels in North America.

In Turkey, the new crop harvest of lentils has just begun. Yesterday, our Mersin operations took their first load in. Production figures are conflicting, from 380,000 to 550,000 metric tons. As of today, we expect the crop to be less than last season, which is actually positive for our strategy of stock and sale for Canadian and Australian lentils and other products.

Also, recent rains in some of the main growing regions may have affected the crop quality, giving a good opportunity for Canadian quality to compete.

In the pasta segment, Arbella continues its diversification of its market strategy, with growth targets set based on export market success. Additional semolina capacity will be ready for the second half of this year, while a fifth pasta line is now on stream. More land adjacent to the current pasta plant has recently been secured for the future -- for future lines to be added to this -- to supply the increasing success of our export program.

Rice milling activities are set to grow, with the commissioning of AGT's new rice mill in northern Turkey, which will commence operations by June, July of this year. Production levels are still estimated to remain flat to last season.

Over in Australia, I previously mentioned that rain did affect harvest in Victoria and South Australia, however, not to the extent that Canada received. Overall pulse quality is more marketable. In Q1, we saw our Aussie operations ship tonnage increase by 75% over Q1 of 2010. This helped offset some of the quality and shipment problems from Canada to our main customer base.

The new, packaging processing locations in South Australia area already becoming a factor in the region and we expect -- and we are expecting full benefits by year two of integration. Poortmans, which is our U.K., Dutch and Spanish merchandising and distribution offices, are quickly showing synergy dividends. Within a year of further integration and cross-selling from the group, we are expecting further dividends. Our entry into China is ongoing, with a small pulse facility established and plans for growth and expansion in full swing.

Touching quickly on market conditions, the reports of cooler weather and lower yields in India is hard to pin down. Reliable information does not exist. Many report that the lentil crop is around 500,000 metric tons, while the Kabuli chickpea crop is near last year's tonnage.

Normally, India will enter for August, November imports of Canadian new crop. However, this year's sales have not been done far in advance. Today, I would attribute this to the fact it is known Canada will have a decent carry-out stock of red lentils, however off-grade green lentil sales have been somewhat steady to the Indian millers for toor dal replacement. India will now consume local crop and should be back in the market by August.

In closing, we see adequate production levels and carry-outs of pulses and rice will be available for 2011- 12 season. Our long-term strategy to have multiple origins, cross-selling to markets is already contributing to the smoothing of AGT's earnings.

Thank you.

MURAD AL-KATIB:
Thanks, Gaetan. I want to call on Lori Ireland, our CFO, to go over our financial results. Lori?

LORI IRELAND:
Okay. I'll just do a quick summary of the variances. More detail is available on the MD&A.

For the quarter, AGT sales were $168.1 million, and that compared to $186.4 million for the three months ending March 31st, 2010. And it also compared to $169 million for the three months ending December. Our sales were relatively consistent with the most recent quarter, but because of substantial shifts in the location of sales, we saw sales volume increases from quarter four to quarter one.

In Arbel, the fire caused the sales to drop down a little bit and picking up again some time in January.

Canadian revenues slightly down when comparing quarter one 2011 to quarter one 2010, as capacity utilization decreased and that was due to the variability of the raw material that we were bringing into the facilities. When looking at the gross margin comparatives on an IFRS basis, gross margin improved from the quarter ended March 31, 2011, when comparing to the quarter ended December 31, 2010.

With similar revenues, gross margin percentage improved to 13%, up from 8.4%. The margin improvement, when comparing to quarter four, was a function of management's ability to drive margin from the lower-quality crops.

Looking at operating expenses, the operating expenses for the quarter ending March 31, 2011, were $8.9 million and this compared to operating expenses of $8.5 million for the three months ended December 31, 2010.

Operating expenses were slightly higher, although quarter one 2011 does include all the acquisition costs of the acquisitions from late quarter four 2010; so given that, management's pleased with the relative consistency of the costs. Also note that there were certain costs reclassified, due to IFRS, and we've done this reclassified -- reclassification right through each quarter in 2010.

Interest expenses for March were $2.1 million compared to $2.4 million for the three months ended December 31st and although we saw that debt increased for the March 31, 2011 quarter, the interest expense was relatively consistent, due to the fact that we paid down some higher interest operating credit and replaced it with bank instruments that had lower interest rates.

Total debt as of March 31st was $165.9 million and this compares to $130 million in quarter four. And the ramp up in the long-term debt is utilization of our facilities with Farm Credit Canada, which has quite favorable interest rates, that allowed us to drive down some of the revolving capital asset lines that we have available and helping us to ramp up our assets.

Right now, AGT in total has construction in progress totaling $37.2 million. Of that, approximately $2 million is in Canada, just under $1 million in the U.S., $7.3 million in Australia and $27 million in Turkey. Depreciation expenses were 20 -- or $2.6 million in the quarter ended March 31, 2011. And this compared to $0.6 million for the three months ended March 31, 2010 and to $2.5 million for December 31, 2010.

Now the reason that we see depreciation on an IFRS basis drop significantly in March 2010 was that we had to do some IFRS adjustments. So March 2010 is actually lower than what it normally would have been.

Looking at inventory, inventory at March 31, 2011, was $166 million and that compared to $110 million in December. And the increase is attributable to the build-up of inventory in the new facilities in South Australia and the normal seasonal requirement for inventory build-up and traffic from Canada to Turkey and from Australia to Turkey. Packaged inventory for pasta and rice sales programs also added to this.

Account receivable at March 31, 2011, was $126 million and this compared to $135 million at December 31st. The levels are relatively consistent and track relatively consistently with how receivables progressed through the spring and summer. And the quick update on IFRS. The transition is complete now. The March 31, 2011 consolidated statement of financial position includes the IFRS adjustments from the pre-2009 period right through to December 2010. As of January 1, 2011, all of our processes have been changed to reflect the IFRS requirements.

Assets have now been componentized and construction projects will now include labor and interest component. In addition, Alliance is now reporting by function and what by function does is it groups expenses together according to the function they relate to. So, for example, cost of sales, cost of distribution and general and admin. And other than that, I'll just point out that the costs for 2010 quarters' has been reclassified for comparative purposes under IFRS.

MURAD AL-KATIB:
Thank you, Lori.

We can see from these results that our position is improving and we'll continue to work towards success in the second half of 2011and 2012, with new crops from a new slate wiped clean for the upcoming season.

Ultimate, as we have stated, our commitment to our strategy remains intact. Our processing expertise, market distribution globally and our origination reach, we feel, positions us well to mitigate many risks and challenges we face as a global company in the international agricultural processing industry.

I want all of our shareholders to recognize that management is committed; both as significant shareholders and as a team that has built this company from a start up to delivering the results that make AGT a successful international food company, delivering consistent earnings, results and value to our shareholders, growers and clients. We have a clear vision, as well as the facilities, experience, capital and distribution to execute this growth strategy, creating long-term value and I want to really thank everyone for their interest in AGT.

I will turn things back over to Omer and we'll open it up for questions and answers for the remainder of the time. Thanks.

OMER AL-KATIB:
With that Operator, if we can take the first question?

OPERATOR:
Thank you, sir. The first question is from Jacob Bout of CIBC. Please go ahead.

MURAD AL-KATIB:
Yes, Jacob?

JONATHAN LO: Hi. Hi. Yes. This is Jonathan Lo on behalf of Jacob Bout, at CIBC. And --

OMER AL-KATIB:
Yes, Jonathan?

MURAD AL-KATIB:
Go ahead.

JONATHAN LO:
Hi. Just a quick question on pulse processing; what capacity utilization were your Western Canadian pulse processing plants running at this quarter?

How successful have you been at running other grains, such as Kabuli chickpeas during slower periods, to increase this? And just as a follow-up to that, why haven't we seen margin expansion during harvests of lower volumes and higher quality variance, given the spread in pricing for the various grades?

MURAD AL-KATIB:
I think we'll attack that as point one on your question, when you look at capacity utilization in Western Canada, certainly the challenging quality of the last harvest has our utilization down in quarter one 2011 versus quarter one 2010.

So when we look at it, we're probably down somewhere in the range of about 20% to 25% on our utilization from what would be considered a peak operating period. I mean, remember, our traditional business runs a Q4, Q1, strong utilization and them ramping down before ramping up in Q3 to a new crop. And so when you're talking about Western Canadian processing velocity being affected by 20% to 25%, we're really quite pleased with the results of $14.2 million.

I think that as a lead-in to your second question, margins in Western Canada did expand. So when we look at the grade spreads that existed, we did deliver some of that, with a 20% to 25% decrease in Western Canada, margins did come up to offset some of that capacity utilization loss.

And as we said, always, all along, we were confident in our ability to convert low quality to marketable product. The question just was, could we generate enough margin to offset the capacity loss? And I think it's fair to say that capacity loss was higher than what we anticipate, and that was largely due to the fact that clients really didn't adjust their quality expectations down dramatically. We just had to work that much harder to make sure we could ensure that we meet their specifications and continue to market, which is one of the things that I think many will be potentially a bit surprised with, is that if you look at the lentil export numbers, they were down dramatically.

But with this result that we've shown you, with the technologies and the processing expertise that we do have, we certainly had market share gains as a result of the fact that quality was this affected. For the higher value markets where we play, we certainly delivered what we wanted to.

JONATHAN LO:
Thanks.

OPERATOR:
The next question comes from Christine Healy of Scotia Capital. Please go ahead.

CHRISTINE HEALY:
Hi, there. Congratulations, guys. First question, you've undertaken several growth projects here over the last couple of years. You've got several more underway. Can you just talk about your management depth and whether you feel you have the bench strength right now to pursue these other growth opportunities in India and China?

MURAD AL-KATIB:
Yes, a good question there, Christine. As you -- as you're familiar, I mean, the main initiatives on growth right now are focused on U.S., China, India and Turkey. Those will be four of our major initiatives.

Now, part of the thing -- I mean, the U.S., for us, is very close. For those of you not as familiar with the geography, from our head office in Regina to our North Dakota facility, it's only 250 kilometers. So, it's closer than our Northern Saskatchewan locations.

So North Dakota, we have a strong management team built up, strong corporate controllers, strong general manager that we're building a team around. We're very confident in our ability to execute that and we'll augment, as we need to, of course, with a significant head office presence very close by.

In the China operation, this was a main motivation for the acquisition of Poortmans. I mean, the Poortmans gave us a team of 30 people. Our senior management team, Andrew Jacobs has been in the pulses business for 35 years. Cor Hage, who's our Managing Director in The Netherlands, has been in the pulses business for 32 years and active in China for 26 of those years. And so Core is heading up our China strategy.

And we've recently added a Senior Director of International Operations, a gentleman named Tim Marshall, who has been actively involved in China and India operations and the agriculture business, and Southern Africa as well, for the last 40 years. So we're augmenting the team to ensure that we have that and a key part of the strategy is to put in place country management teams. And so, China has gone through the acquisition of Poortmans. India, we're going to be building a country team. So we'll be putting a senior leadership position in place and building an organization around that. Of course Turkey is led by Huseyin Arslan and the rest of the management team there.

We're very well equipped, Christine, I think, to continue. So it's a lot of different geographic strategies, but you have to recognize they're also divided by not only geography, but product type. Turkey is largely a pasta and rice strategy today and then a growth of the distribution and small packaged retail business in region.

India is going to be an integrated pulses strategy.

Australia, we're well on the way to success, looking at some more opportunities in the chickpea area in Australia. And China is dry edible beans and peas, into China for pea powder, pea starch, vermicelli noodle production, all different kinds of pea and pulses ingredient use. So, very, diversified lines I think we can definitely keep it rolling.

CHRISTINE HEALY:
Okay. Thanks. And then, just switching gears, can you talk about what impact you think the removal of the Canadian Wheat Board monopoly would have on the pulse industry and on AGT?

MURAD AL-KATIB:
Yes. A great question, I mean, a very timely question. Listen, I have to tell you that in the Canadian grain industry, although we're in the pulses side more than in the grains, we're probably one of the most international companies in the world. And so when we look at distribution, and we look at the business that we've set up and our ability to react to food ingredient demand requirements, in pulses and cereal grains, in particular, let's say, on the durum wheat side, and the milling wheat side, we're very excited about the opportunity that may present itself to continue down our path of cross-selling high-quality ingredients into the milling, baking and food industries throughout the world.

So, I think that our distribution is one that will definitely benefit from the type of change that may allow companies like ours to get involved in the containerized and bulk shipments of high-quality agricultural products out of Canada.

Now, on the acreage side, listen, it depends on who you talk to. Some farmers believe that the Canadian Wheat Board has delivered superior returns to open market. But let's argue, even if it's a neutral basis, or slightly positive, pulses compete extremely well with cereals on acreage.

So, any analyst or economist that predicted the demise of the pulse industry because the Wheat Board monopoly is coming off, I don't know what type of angle they're looking at. It's certainly not one that I think is grounded in reality.

So, you know what? It's a competitive rotational crop. And the cereals monopoly coming down is going to have nothing but positive effects, in my mind, on AGT, to give us opportunities to do some other things, if we choose to. And on the pulses side, it's going to be a very neutral thing on acreage.

CHRISTINE HEALY:
Okay. And just one last question to sneak in here; just on your working capital.

MURAD AL-KATIB:
Yes.

CHRISTINE HEALY:
Your inventory balance really climbed this quarter. Your APs seem to be quite a bit lower than it typically is. Should we expect the normal seasonal, like return back to normal, in the next couple of quarters here? Have your -- have your -- have inventory balance come back down? Your AP balance?

MURAD AL-KATIB:
I mean, definitely, Christine, that's a seasonal business.

Remember, it was later in Q4 and so when you look at starting only on around the 10th or 15th of November, the new crop, when you get into Q1, we had less product cleared through the system.

Also, remember, revenue recognition, product processed in Canada or Australia transferred to Arbel for our stock and sale and processing operation there remain in inventory until they're received, processed and sold to an on-buyer, where it's actually recognized as sales revenue.

So a lot of that is not inventory that's just sitting in inventory. It's already in transit to Arbel or it may be in transit to the ports, for instance, to be loaded onto container vessels. So we will see a normal seasonal change.

And if you look at quarter one of 2010, I think our debt levels, 2010, were around $150 million versus $165 million. So -- and then we ramped all the way down to very little utilization on our operating credits, so normal, seasonal cycles.

CHRISTINE HEALY:
Okay. Great. Thank you very much.

OPERATOR:
The next question is from Robert Winslow of Wellington West Capital Markets. Please go ahead.

ROBERT WINSLOW:
Yes. Good morning. I also have one question, but with seven parts.

MURAD AL-KATIB:
Go ahead, Robert.

ROBERT WINSLOW:
Yes. So something you touched on, Murad, I'm trying to get clarity on. Just really reconciling the numbers in your MD&A, with those lentil export numbers you referenced as well.

So I looked at Canada sales and you're talking about a 200% increase, $11.6 million now from $3.9 million a year ago. Yet, as you point out, lentil exports were down materially out of the Prairies, i.e. down about 30%. And just, if you could, please, just walk us through how it is that --

MURAD AL-KATIB:
You're going to have to slow down and -- those numbers again? What numbers are you looking at?

ROBERT WINSLOW:
I'm looking at the numbers in your segmented -- let's see here, note 20.

MURAD AL-KATIB:
Note 20. Okay.

ROBERT WINSLOW:
Yes.

MURAD AL-KATIB:
I'm just going to flip to that, so that I can -- you're talking about segmented sales by geography?

ROBERT WINSLOW:
Correct.

MURAD AL-KATIB:
Right. But just from the Canadian sales segmented by geography, in Canada, it just means sales in Canada, right? That's actually sales. Sales in --

ROBERT WINSLOW:
Oh, right.

MURAD AL-KATIB:
We're off.

ROBERT WINSLOW:
Its buyers, it's buyers in Canada, correct?

MURAD AL-KATIB:
Absolutely.

ROBERT WINSLOW:
Okay. So --

GAETAN BOURASSA:
For export.

MURAD AL-KATIB:
Yes, some of that would go to export, like if we sold into a Montreal position or a Vancouver position for someone.

ROBERT WINSLOW:
Okay.

MURAD AL-KATIB:
That's still considered a Canadian sale. But go ahead to your export stats question.

ROBERT WINSLOW:
Yes. So, good. So you're looking at about a 30% drop in lentil exports and even if we don't look at Canada, we can look above this, it's still in table 20, you're talking about pulses and specialty crop sales were up about 1%, see that 138 versus 137?

MURAD AL-KATIB:
Yes.

ROBERT WINSLOW:
And pulse -- so pulse -- or lentil prices were flat. So presumably, with that 30% drop in the exports of lentils, you're making up the difference in non-lentil product. Is that fair to say?

MURAD AL-KATIB:
Yes. I mean, listen, the whole game here that everybody is hearing me talk about for the last 18 months is we are the most successful lentil company in the world.

We're going to remain that, but we're also going to be the most successful bean company, the most successful chickpea company, the most successful export pasta company and the most successful medium-grain rice milling company in the world.

And so from that perspective, you are seeing the efforts of our diversification and our goal, Robert, is to ensure that when we go forward and we have a supply disruption in a market like Canada, last year we were so Canada-centric that we couldn't weather the storm. No pun intended on that.

Ultimately, over time, the diversification initiatives kick in. And it's not only just product. Robert, our Australian operation contributed a lot more Q1 2011 than it did in Q1 2010.

ROBERT WINSLOW:
Yes. Right.

MURAD AL-KATIB:
So Australia is also part of that, to seasonally smooth us. And we will, I hope, see Turkey in quarter three, assisting us to seasonally smooth ourselves and in 2012 and beyond, I hope you'll see India smoothing us and carrying us through a quarter two, whereby, as you know, quarter two is our slowest quarter, as everyone waits for new crop India to become clear and new crop Turkey to come.

ROBERT WINSLOW:
Got it. Thank you very much.

OPERATOR:
The next question is from Keith Carpenter of Canaccord Genuity. Please go ahead.

KEITH CARPENTER:
Thank you. Hi. Good morning. A couple of questions. The first one should take maybe just a nod. Under the new accounting, should we look at the G&A marketing expenses and the amortization as a good proxy for Q1 going forward?

LORI IRELAND:
Yes, the only thing to note in there that included in G&A is $827,000 of depreciation.

KEITH CARPENTER:
Yes. Okay. And can you just -- Murad, can you just comment and talk to the year-over-year differences in your pasta, semolina and bulgur and your rice sales?

MURAD AL-KATIB:
Okay. Keith, just before you move on from that question, just remember one other thing; under IFRS, there is a number of costs that were reclassified from cost of sales into G&A. This is under the reporting by function. So let's say, just to give you guys a bit of clarity, for instance, all of our plant managers, all of our quality assurance managers, all of our grain buyers are now listed in general, administrative --

LORI IRELAND:
They're in marketing.

MURAD AL-KATIB:
They're in marketing, sales and distribution in the overall admin costs, whereas prior, in 2010 and prior to that, portions of those salaries were allocated against cost of sales, of course.

When we went to the IFRS basis, we were reporting by functional area for costs. And so while I say, yes, it's the normal go-forward, it's not like last quarter's, let's say, it was $7.5 million to $8 million. Now it's $8.5 million to $9 million. But remember that increase doesn't mean an increase. Those costs were there last year. They were just classed up in cost of sales.

KEITH CARPENTER:
Okay. No, that's good.

MURAD AL-KATIB:
Pasta, rice and bulgar business. Is that your question?

KEITH CARPENTER:
Yes. Year-over-year changes in sales.

MURAD AL-KATIB:
I mean, listen, you know what? Quarter two will be the first quarter that we've added the new line.

By the way, I want to say, on the call, I'm not sure if I -- if we noted somewhere in our MD&A, the addition of the sixth pasta line. That's actually the fifth pasta line. So I want to make it very clear on that typo on our side.

Maybe I'm foreshadowing the sixth pasta line, guys. But the fifth pasta line was just commissioned at the end of March, April. And that will have the effect of increasing our overall capacity by about 25% to 30%. And the old pasta lines we used to run were two tons an hour or so. This new line is 6.5 metric tons per hour of small cut -- or short cut pasta. It's the largest short cut line, we think, running in the world today. And so from that perspective, you will see a growth in the pasta business in the coming periods that is largely fueled by the strategy, which is widespread geographic distribution of a brand will lead to repeat sales and sustainable markets.

Now, this is something that a lot of people try and do, don't succeed in. But our pasta business continues to run about 80% to 85% branded Arbella and our country count, at last check, it was -- when I checked a couple of weeks ago, I think we were at 63 countries of distribution now. And so with that, it breeds more repeat sales.

So, Gaetan alluded to the fact that we've acquired four additional acres of property, directly adjacent to our pasta plant. For those of you who have been to our site, you analysts, that gives us room to basically take ourselves from our current space, can add another two lines. So we can get up to 7 or 8 lines and we'll have room for another eight lines next to it.

So, we're very committed to exploiting the advantage of Turkish domestic durum wheat production at very cost effective levels; the port location of our factory and geographic reach from Turkey to faraway lands as Venezuela, South America, Japan. So, it's not just a nearby market strategy. We're currently into 12 or 13 markets in Africa. So it's a very strong thing.

And we're seeing stimulated demand in North Africa, post-crisis, for pasta, as a result of governmental programs to buy in dry goods for distribution, both pulses, rice, pasta, are going into Libya and other places.

So the year-over-year growth is going to be seen in the 2011, 2012 season. We only added the one line last year. That ramped up. So we have some good, strong growth. But really the big growth comes with the addition of the big lines.

On the pasta -- or on the rice side, the new mill is actually in commissioning now. So by end of June, early July, we'll be into production. And, of course, we'll be in modest production for the early part of Q3, until we get the paddy rice harvest out of the way in September, October. And so we'll be ready and ramped up to move in the New Year.

KEITH CARPENTER:
And just on the -- from a year ago, the two businesses combined --

MURAD AL-KATIB:
So, yes, if you're looking at -- okay, now I just saw the segmented here.

What's caused us to go down on the segmented is, okay let's look at the pasta business. In the pasta business, we include durum wheat sales that are just done on a bulk basis.

Last year, we had durum sales to Italy from Turkish durum, that was vessel loads that was done in the first quarter last year. And then also we had a large tender for the Venezuelan government last quarter one of 2010. So that skewed the figures up.

KEITH CARPENTER:
Okay.

MURAD AL-KATIB:
On the bulgur side, the Turkish Grain Board was involved. And then on the rice side, the skewing of the rice business was due to a large Turkish Grain Board tender in 2010. So that was a one-time government tender.

So what you're seeing on the decline is our normal retail distribution business is ongoing. There's no disruption. It's growing.

KEITH CARPENTER:
Okay. Perfect. Just wanted to make sure that's what I was --

MURAD AL-KATIB:
Just when I looked at the numbers, I now understand what you're asking. Sorry about that.

KEITH CARPENTER:
Well, the first part of the answer helped as well. So --

MURAD AL-KATIB:
Okay.

KEITH CARPENTER:
Perfect. Thank you.

OPERATOR:
The next question comes from Marc Robinson of Cormark Securities. Please go ahead.

MARC ROBINSON:
Good morning. Congrats on a great quarter. So, I wanted to ask about these margin expansion and the market share gains and the sustainability. So, first with respect to the margin expansion, it's based on the current carryover stocks. What is your ability to continue to upgrade lower quality product and continue to realize the stronger margins?

MURAD AL-KATIB:
Well, you know what, Marc, it's not only a function of the available product and our ability to do it. It's a function of demand as well.

I mean, ultimately you're going to see quarter two is a quarter that you have very little chance to affect anything. Its markets only buy what they need because they're waiting for India to be clear and Turkey to come.

So we plod along and get through that quarter. But then when we look at quarter three and beyond, the processing of the off-grade old crop is not going to finish.

I mean, this will carry us into a crop; it'll give us product available for the July, August period into the new harvest in Canada. And I think that's a positive thing.

I mean, last year, we had quarter two supply issues leading into a quarter three supply issue that didn't resolve itself because of the late harvest.

We're not going to have that issue this year in our Canadian operation. I think that's positive.

So I think that available supply to meet demand will be there.

And as Gaetan alluded to in his comments, I mean, we don't think India's that great. And we don't think that Turkey's going to be that great.

Now, to clarify Turkey not being that great, I want everybody to remember, when Turkey's not great, we pump it full of Canadian, Australian product because we have the strong distribution there. That's good for us.

And when Turkey is great, we have the largest processing capacity in the country. So either way, it's great. That's the strategy.

So, I think we'll continue to do it. Market share gains, listen, we have strong distribution. We think that when we need to take markets and find them, we know every corner of the globe. We have a friend in every city that many of you haven't been to.

And so from that perspective, it gives us a strong ability to reach out and deal with that. Now, Mark, as we go forward, distribution in markets is the key to driving our utilization and to continue to drive earnings.

We are now too big to rely on importers around the world to tell us when they want to buy. We know they're going to buy. And if it's in-market, ready for them, they'll buy.

And so we will go around the world and we say is there demand? And people say, oh, no, there's no demand. And Gaetan or I will say, well, if there was 500 tons of product sitting in this warehouse today at this price, would you buy it? And the answer is almost always yes, I would buy it.

Well, then there is demand. There's actually a lack of liquidity and a lack of risk tolerance to be able to handle the transit time.

Well, as an originator and a processor, we can mitigate that because we have a processing margin at play and if we have market access and product in market for distribution, then we end up in a position where we can capture prompt delivery premiums, instead of discounts for shipping and waiting 45 days.

So, I think that you'll see, a sophistication, in the strategy allowing us to potentially hang onto the market share gains that we've achieved.

MARC ROBINSON:
Okay. So is it safe to say, and it sort of carries over to some of the conversations on the last call, which is that there has been a -- you've got more appetite now to sort of, I don't know if speculate is the right word, but to take on inventory risk, whereas in previously you weren't doing that?

MURAD AL-KATIB:
Marc, I don't -- I definitely don't use the word speculate. Because we're originating it in multiple origins, we're relying on our own market intelligence and with the lack of a futures market, in a way, we're actually hedging ourselves by having access to multiple origins and positioning product in the most advantaged region to meet consumption. So we view that as a distribution strategy, not as a speculation at all.

Now, we have a margin at play that's already been priced into our transfers, into different regions. And I want to make one other thing clear. We are not circumventing our current distribution in the world. We're doing this in partnership with our distribution.

So -- and we're not moving to a 100% inventory transfers around the world. It's still a very small managed program, where we will, as an executive management team, set a position limit in any one market for unsold inventory. And we'll monitor it, on a weekly shipment and sales report, in country, and then we can always turn the pipeline off. Right?

If you program product to go into India, or into Egypt or in Turkey, and sales aren't going as you planned, you just turn the tap off and you resume the tap one or two weeks later. We have the capacity, the capital, the origination and the access to freight that gives us the ability to control our pipeline.

MARC ROBINSON:
Okay. And so just finally then, just on this market share, was the market share pick up, is that more a function of your ability to market the product that's available now and in a more normalized environment, your market share might go back to where it was before? Or is this now more of a permanent situation in terms of your market positions?

MURAD AL-KATIB:
Jeepers, Marc, you're talking so well, I'm going to have to give Gaetan a raise here, because he's running the marketing program.

So, no, I mean, listen, we're building a distribution system in the world and as we add every piece to this puzzle, we get stronger with our clients. This is the whole point of the strategy.

When you need Chinese beans to go along with your Canadian lentils, and by the way next month, I'm going to give you Australian lentils because they're more competitive, and next month, I'm going to give you Turkish, because they're more competitive, and the month after that, I'm going to switch it back to Canadian. Clients stick with that type of loyalty. And then because they're making money.

And secondly, when you go out of our fold, Marc, you don't get easily back in. So people that are in the club, in the distribution system, they stay in. And we all make money together. This whole strategy was -- I characterize it as in the day I put pen to paper is what I call the value chain capture strategy.

And every link in that chain, along from the farmer to the distribution, there's margin. I'm going to take a part of it. But I'm not going to be greedy. I'm going to make sure every link makes money along the way, so that I have a sustainable distribution chain and we all make money together, including our shareholders.

MARC ROBINSON:
Okay. It makes sense. Thanks.

OPERATOR:
The next question comes from Max Vichniakov of Octagon Capital. Please go ahead.

MAX VICHNIAKOV:
Hi, guys.

MURAD AL-KATIB:
Hi, Max.

MAX VICHNIAKOV:
All right. Just a quick question to follow-up on your comment that you made, that diversification strategy sort of started to kick in. Do we expect to see, going forward, then, sort of like the more -- excuse me, I have some cold, more -- less variability in terms of Q3 and Q2, which usually were weaker? So those quarters in 2012, as we see them, are they going to be smoother? Or what's your expectation on that?

MURAD AL-KATIB:
I mean, it's a process, Max, that -- I mean, we're talking about changing the seasonal trends of a business.

MAX VICHNIAKOV:
Yes.

MURAD AL-KATIB:
So, I can't tell you that in 2012, we're going to achieve the smoothing. But I can tell you that in a five-year plan, we want to ensure that our growth strategies lead us to a smoother quarter two and quarter three.

And our Turkish business has the ability to assist us in the Q3 and our Australian and Chinese and Indian businesses have the ability to help us in Q2.

MAX VICHNIAKOV:
Yes.

MURAD AL-KATIB:
So, it'll take us a couple of years to get there, to a more smoothed out earnings cycle. But that's the goal.

I mean, the goal is to -- listen, food companies are a lot less reliant on commodity seasonal trends. So when we look at our humus chickpea demand, it's year round. I mean, people are eating humus in the winter and they're eating humus in the summer.

And so from that perspective, dry edible beans. I mean, we see black bean consumption in the winter. We see black bean consumption all year, Navy beans is the same way.

Rice is a not-a-seasonal commodity in terms of consumption. Either is pasta. Neither is vermicelli noodles made from pea starch. These are the type of products that we have to look at as we go forward.

MAX VICHNIAKOV:
Got it. Perfect. And Murad, then, a question on the quality; I know it's a little bit early and premature right now. But with the late planting season in Canada, is -- just help me understand that I got it right.

Your expectations for the quality for this year, is that going to be the same or are you expecting it to be slightly better, just because last year we were late in planting as well?

MURAD AL-KATIB:
Well, I mean, listen, we were late in planting last year, but remember, at late August or early September, we were ready to harvest and there were no quality issues.

We were facing the largest crop in the history of Canada and the quality looked fine. It just was deteriorated from the heavy rain.

So I think that when we look at seeding progress on lentils in Saskatchewan, what would we estimate today, Gaetan? What would we be at? Percentage-wise? Today?

GAETAN BOURASSA:
Complete?

MURAD AL-KATIB:
Yes, on lentils.

GAETAN BOURASSA:
You're probably looking at over 90%, right? At 95% maybe.

MURAD AL-KATIB:
Our estimate is 90% to 95% complete. And here we are at the 31st of May, and so we're right on track. We're maybe a week behind, week and a half behind.

I read a great article today from -- in the Regina Leader Post that is forecasting a July, August hot and dry summer for Saskatchewan. So we're looking forward to that, to dry out, dry off and start talking about the rain again. Because in Saskatchewan, we like to talk about how dry it is. And we haven't been able to do that for a couple of years. So we're kind of lost, Max, you know?

MAX VICHNIAKOV:
Great. So picking up. Got it. And very quick question, maybe a question to Lori. On marketing, sales and distribution expenses, I'm presuming, just to make sure, I'm presuming that it's a direct relationship to the sales, right? So the volume, it's not more of a fixed cost there?

LORI IRELAND:
I'd say it's a combination.

MAX VICHNIAKOV:
Okay.

MURAD AL-KATIB:
But a large part of that would still be a fixed cost component, right?

LORI IRELAND:
Yes.

MURAD AL-KATIB:
Because you're talking about salaried people that are in there a lot and they're not changing.

MAX VICHNIAKOV:
So at 4.7, this is pretty much within the quarterly ball park, right? That we're going to see for the rest of the year then?

LORI IRELAND:
Yes. I would say that's pretty safe.

MAX VICHNIAKOV:
Okay. All right. Got it. Thank you.

OPERATOR:
The next question is from Anoop Prihar, GMP Securities. Please go ahead.

ANOOP PRIHAR:
Good afternoon. A couple of questions Murad. First of all, what's your best guess right now as to Canadian on-farm inventories? And of that number, how much do you think pretty much has to be feed?

MURAD AL-KATIB:
Okay. Gaetan, do you want to take a shot at it? Or should I?

GAETAN BOURASSA: Well --

MURAD AL-KATIB:
Let's let Gaetan answer you on that one.

GAETAN BOURASSA:
Yes. I mean, if you look at the March 31st numbers and then subtract the exports --

MURAD AL-KATIB:
What was the March 31st number?

GAETAN BOURASSA:
I think it was near a million tons, right? On-farm and in all positions. So if you pencil in somewhere around 100,000 tons, I mean, the math looks like it's probably somewhere over 700,000 tons right now.

ANOOP PRIHAR:
Sorry. How did you get from 1 million to 700?

GAETAN BOURASSA:
What's that?

ANOOP PRIHAR:
How did you go from 1 million to 700?

GAETAN BOURASSA:
Well, if you just look at April and May.

ANOOP PRIHAR:
Oh, I see. 100,000.

GAETAN BOURASSA:
And potentially June sales are on the books already. You take those out and -- there will be some domestic disappearance into feed markets as well.

MURAD AL-KATIB:
But, Anoop, I've got to tell you, we don't think that the -- the stuff that was really feed, feed, like the really badly damaged stuff, a lot of that has been marketed off. If it was going for feed, then I know it wasn't a big percentage. So we still think that the stocks that are available are ones that, at the right price, are going to be bought, they're going to be processed, held and sold.

ANOOP PRIHAR:
Yes.

MURAD AL-KATIB:
Or they're going to be bought, processed and sold to a miller and they're going to mill them.

So, I think earlier on I may have mentioned, but to clarify, we're not going to be done with this old crop stuff even when the new crop comes. Today, it's a lot more headache and a lot more hassle on our milling plants. We'll continue with the poor quality product until it's done. And it may take us a year to get through it, but we won't return to premium quality product at some of our plants. We'll keep on rolling with this stuff because the margins are better.

ANOOP PRIHAR:
Okay. What would you have -- if we use a number of 700,000 tons now, what would that have been a year ago, do you think?

MURAD AL-KATIB:
Oh, gosh. At this point, last year, we would have been maybe --

GAETAN BOURASSA:
It was tight, yes.

MURAD AL-KATIB:
100,000 maybe.

GAETAN BOURASSA:
Yes, well, yes.

MURAD AL-KATIB:
100, 150?

GAETAN BOURASSA:
Yes, it was tight. You have to look back at the exports for that period.

MURAD AL-KATIB:
Yes. We can get you a more reliable figure. But it was very tight. I mean, we had nothing -- we couldn't buy product.

Remember, last year, in the period of quarter two, we talked about doing peas because there were no lentils available for sale.

ANOOP PRIHAR:
That's fine.

And just the last question, in terms of your insurance settlement for Turkey, when do you think you're going to get that?

MURAD AL-KATIB:
It's largely complete. I think -- what's the uncollected amount so far?

LORI IRELAND:
$350,000?

MURAD AL-KATIB:
Like $300,000 or $350,000 accrued is due from the insurance company. The balance is collected.

ANOOP PRIHAR:
What was the balance?

MURAD AL-KATIB:
Oh, like $350,000 or something. It's --

ANOOP PRIHAR:
So you received total insurance proceeds of about $700,000?

LORI IRELAND:
No, no, no, no.

MURAD AL-KATIB:
No, no, no, no, no, no, no.

LORI IRELAND:
Insurance proceeds were around $9 million.

MURAD AL-KATIB:
$9 million.

ANOOP PRIHAR:
Okay.

LORI IRELAND:
We have about $350,000 left to be collected.

ANOOP PRIHAR:
Okay. Great. Thank you very much.

MURAD AL-KATIB:
Sorry, Anoop, I didn't understand your question. Okay. We've got time for maybe a couple more questions. Who's next?

OPERATOR:
Next question is from Steve Hansen of Raymond James. Please go ahead.

STEVE HANSEN:
Oh, yes, good morning, everyone.

MURAD AL-KATIB:
Good morning.

STEVE HANSEN:
Just a high-level strategies question. When you look at all the different growth opportunities that you've outlined, both by geography and product line, how do you prioritize these opportunities, given the different risk profiles that are attached? Or how do you allocate the capital accordingly?

MURAD AL-KATIB:
Yes, very good question. I mean, we certainly have started to divide among lines of product segments. So we're running our pulses business in what I would consider to be probably two separate strategies. One would be our focus on the dry edible beans, and the other would be focused on lentils, peas and chickpeas. So those are kind of two business units that are kind of divided off. On the rice side and the pasta, bulgur side, we have separate teams as well there.

So, when we look at it, we've kind of set our country priorities as U.S., India, China and Turkey. And of course we've got a few little things we do in Canada here and there. But certainly in terms of assessment of risk profile and capital, we're sticking with our view of our metrics that we've stuck to in the past. I mean a lot of the assets and the plays that we're talking about now are largely going to be acquisition of facilities and retrofit to suit our particular processing programs or fresh builds.

I mean, we don't think that there are significant amounts of new assets -- of assets that are available from existing players that we have a strong interest in acquisition on.

And the U.S. might be a little bit different there might be a few opportunities there. But when we look at China, India and our build-out in Turkey, we're building and we're buying warehouses and storage and those kinds of things and we're building them the way we want them. Like what we've been doing in Australia.

So, we look at those metrics and we allocate capital according to how it fits into the strategy and how it's going to deliver out in the first 12 months, and then post that to contribute to what we expect. So, the country management teams and the product management teams are certainly helping me in the allocation.

And what I think you're going to see is you'll see us, because there's so many different areas and geographies, we're continuing down this path of what we call that tuck-in acquisition growth strategy.

You'll see me, let's say, in China or India. You're not going to see us announce a $40 million play. It's going to be a $10 million play that's going to prove the metrics and then they'll immediately be given the next ten. So we'll be taking a step-by-step strategy in new areas. So we can ensure that we're allocating the capital to the right areas.

Because we're proving business concepts, Steve, in a lot of these cases, where we think that when we're using this word internally, the synergy dividend. The synergy dividend is the one that when you take this whole system of distribution in the world and the risk management and the admin platform is set up, we actually can deliver good return, good earnings, that are better than our smaller, fragmented competitors.

STEVE HANSEN:
Okay. That's very helpful. Thank you.

MURAD AL-KATIB:
I guess we have time for one last question.

OPERATOR:
The next question is a follow-up from Robert Winslow of Wellington West Capital Markets. Please go ahead.

ROBERT WINSLOW:
Yes. Thanks very much.

MURAD AL-KATIB:
Robert, I really want this one to be a short one, Robert. No, I'm just kidding. Go ahead.

ROBERT WINSLOW:
We talked about the lentil exports, Canadian lentil exports for Jan through March. I haven't seen the data yet for April and May. We did see a pretty steep decline earlier. What are April and May tracking like, in your view?

You -- by now, you would have seen the flow through your facilities there. Are we down year-over-year still? Or have we turned the tide now and we're seeing volumes increasing year-over-year?

MURAD AL-KATIB:
I mean, you're not going to see it turn the tide until the second half of 2011. I mean, this is seasonally the decline period. So ultimately, we take a positive from the fact that there is product available, so when we do have the demand, we can deliver it. But you're not going to see turning the corner until end of June, July.

Our -- in our minds, Robert, we have a -- kind of a deadline of somewhere around the 25th of May, which is usually about -- it's about sixty days past when we consider the Indian harvest to really be in progress. So that's about 25th of March or so, so the 25th of May, we usually have a clearer picture. And we've given you that picture today. We think that the crops are affected in other geographies. We think that hand-to-mouth buying happened. But at some point, it can't continue hand-to-mouth. This is not goods that people decide, today I'm going to eat my vegetable protein and tomorrow I'm not going to.

At some point, stock levels become unsustainable and stock levels need to be replenished. And it usually happens at a time where prices are ramping up, not ramping down. And I think that we'll see positive demand fundamentals coming back into the mix in the second half 2011 and into 2012. That's where we're hoping to go.

ROBERT WINSLOW:
Okay. I recognize that Q2 is seasonally lower. That's been made clear. But again, I was just looking at the year-over-year comp, because if I look at January, February and March, each month you got progressively better. That -- I'm talking about the exports. They were down 35% in January, down 30% in February, down only 16% in March. I just wondered if that trend was continuing, if we're getting back to the stage of year-over-year growth. But that seems like we're probably not doing it.

MURAD AL-KATIB:
Well, Robert, I've got to be honest. I can't even answer that question, that particular question.

ROBERT WINSLOW:
Yes.

MURAD AL-KATIB:
I haven't examined the statistics from last year, versus our shipments for the two months that we know what we shipped. So I really couldn't give you that.

So, if you want us to comment on that, we may be able to give you some insight later. But I answered it very general. I didn't understand your specific question. I can't say it's over. I can't say that it's worse.

My gut sense is, is that if you're looking at year-over-year decline, that you probably have turned the corner because the expectations of the market are now in.

They understand what the quality is. People are accepting it or not accepting it. And they're not as scared because they know what they're getting.

ROBERT WINSLOW:
Yes.

MURAD AL-KATIB:
So I would expect that as we ramp into the second half that we have seen the worst of it and we'll move forward.

ROBERT WINSLOW:
That's helpful. Thank you.

OMER AL-KATIB:
And that brings us to the end of our questions and our conference call. I'd like to thank you all for joining us today.

I would like to remind everyone still on the call that if you have any follow-up questions, you can feel free to contact us at our Regina head office. We'd be more than happy to follow-up with you.

Again, I'd like to thank you for attending our conference call and I wish you all a good day.