Rising Prices in Irrigation and Construction

SO FAR THE IMPACT IN HAS BEEN FAIRLY WELL CUSHIONED IN CANADA

Prices of a variety of raw materials have risen at an alarming rate over the last few months. If the material is Canadian, impact has been less dramatic. The fall of the US dollar and demand from around the world, particularly the Far East, is driving up prices. Analysts also blame high-energy prices, the high demand for housing and reduced capacities among many raw material suppliers.

Here in Canada we have not yet seen this dramatic increase because the Canadian dollar (compared with the US) has improved by 10-20% over the last 9 months and this has cushioned the increase. Keep in mind that even if products are made in Canada, many raw materials necessary for manufacturing are purchased from around the world, in US.

Rising prices for PVC, polyethylene, plastics, copper and steel are having a big impact on the construction and irrigation industries in the USA. Again, here in Canada we are seeing a less dramatic 5-15% increase. Prices of PVC, polyethylene and other types of plastics went up at the end of 2004 and are expected to continue to rise in the coming months. A resin shortage is expected to continue for the next 24 months while manufacturing catches up with demand. Volatile prices for raw materials means many producers will not quote prices more than a month out. Bear in mind that it is risky for both distributors and contractors to quote prices far in advance.

— Andrew Gaydon,
Vanden Bussche Irrigation

THE GREAT CANADIAN WEATHER QUIZ...

An unprecedented ice jam on Lake Erie in 1884 caused which event?

a) record-setting floods in southwestern Ontario farmlands
b) worst Great Lakes shipping disaster in Canadian history
c) unregulated hunting of thousands of stranded white-tailed deer
d) Niagara Falls to stop flowing

— Andrew Gaydon,
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