

Wheat - 13% protein and 87% politics

by Dave Layton

A few weeks ago Canadian Wheat Board's president, Adrian Measner, said "it's Un-Canadian" to implement the plan that would result in Canadian farmers marketing their own grain. I respect Mr. Measner's right to express his opinion, but I must disagree.

For those of you unfamiliar with the realities of the Canadian grain industry, farmers who grow wheat and select barley in Alberta, Saskatchewan, and Manitoba are required by law to sell these grains to the Canadian Wheat Board. Farmers in the rest of Canada, who according to Mr. Measner's assertions are apparently "un-Canadian", are free to sell their grain where they see fit.

The fact is that Alberta farmers do a very good job already of marketing their own grain and they are quite capable of doing so. They market millions of tonnes of feed grains, oats, rye, peas, lentils, many different oilseeds including canola, mustard and flax among others and have done so for many years outside the control of the Canadian Wheat Board.

I, like most farmers, have no desire whatsoever to end the CWB. However, I have never felt that it needs to be mandatory. I don't agree that a voluntary Board would be doomed to fail. If the CWB adopted a more proactive approach, it could leverage the many connections and strengths creating value for the farmers it serves. All of this could be done without monopoly powers. The rigidity of the Board to maintain the status quo has hindered its ability to make needed changes that would keep it relevant in today's markets.

A piece in the Winnipeg Free Press last week titled "The Wheat Board Needs a Backbone" put it this way. I quote, "If nothing else, recent comments by the Canadian Wheat Board regarding the possible loss of single-desk status display a stunning lack of self-confidence about its own abilities and knowledge base. Given that the CWB only possesses a domestic monopoly, consisting of captive suppliers and a handful of captive buyers, but otherwise sells the bulk of its product into a highly competitive, price sensitive international market, it is difficult to understand what would be so devastating about injecting an element of competition for the business of wheat and barley farmers into this mix. Despite this, the CWB continues to insist that without the single desk it will, for all intents and purposes, cease to exist."

A task force assigned by Chuck Strahl, our Agriculture Minister, recently released a report on how the Board could transition to a viable, voluntary organization. Why is this needed? As pointed out in the report, "End-users and consumers want closer relationships with primary producers. New niche markets and domestic opportunities to add value are emerging. Today's farmers need flexibility to take advantage of this and want to add value at home while competing more effectively abroad. New uses such as biofuels and industrial usage are expanding the markets for grains but at the same time have different requirements than the traditional uses of food and feed. The days when millions of tonnes of wheat were marketed to state buying agencies on standard grades alone have passed."

I've heard it said that wheat is 13% protein and 87% politics. Right now the Wheat Board is holding elections for directors. District 3 incumbent Larry Hill of Swift Current, a single desk supporter, is being challenged by Conrad Johnson of Bracken, Saskatchewan and Stephen Vandervalk who farms north of Fort McLeod. Both contenders are for more marketing choice and have a real challenge ahead. District 3 covers parts of Southern Alberta and Saskatchewan.

The voters list in District 3 indicates there are 7,696 voters from Saskatchewan and 3,990 voters from Alberta eligible to vote by mail-in ballot before Dec. 1, 2006. If you have been a producer of wheat, oats, barley, rye, flaxseed, or canola in the past two years, you can vote. If you haven't received a voter package in the mail you should contact the election coordinator and fill out a statutory declaration which must be completed and faxed in by 12:00 midnight on November 17th, 2006 to be accepted. Make sure your voice is heard.



Dave Layton is editor of "Direct Connections", a weekly newsletter for grain farmers and owner of Direct-AG Services Ltd.