

**Testimony before the
House of Commons Select Standing Committee on Agriculture and Agri-Food
in the matter of the Canadian Wheat Board**

**Wendy R. Holm, P.Ag.
Thursday, October 26, 2006**

Good morning. My name is Wendy Holm. I am a Canadian Agrologist, resource economist and farm journalist.

I want to say at the outset that I have absolutely no partisan interest in this issue. My concerns are those of an Agrologist, and to say I am alarmed is an understatement. That is why I am here today. I thank this Committee for the opportunity to speak.

First, my credentials: I am an Agrologist with over 30 years professional standing in Canada, a past president of the BC Institute of Agrologists, a former BC Director of the Agricultural Institute of Canada, BC Agrologist of the Year 2000 and recipient of two Queen's Medals (1993 and 2002). As a Resource Economist I have expertise in economics, competition policy, trade policy, industrial organization and the effects of regulation on private sector performance. As a Farm Journalist, I have 12 years of monthly columns under my belt. Because of this, I feel I am qualified to give a professional opinion on the policy implications of recent actions by Canada's "new" government to destroy the central selling desk authority of the CWB - the only entity that stands between farmers and the interests of concentrated market players.

Other witnesses before this Committee have documented in great length the importance of the CWB to prairie agriculture. I myself have devoted four columns to this subject since February. One, Dual Desk is Code for Disaster (Western Producer, February 9th, 2006) recently won the Frank Jacobs Bronze Award for Press Column at the 2006 Canadian Farm Writers and Broadcasters Awards held in Winnipeg. All are posted at on my web-page <http://www.theholmteam.ca>

Dual desk selling will destroy the power of producers in the marketplace. With the CWB gone, and estimated \$800 million in benefits to western grain producers arising directly from the CWB's single desk selling authority will flow from the pockets of producers and the western Canadian communities they support to the coffers of the large grain buyers and their shareholders.

The real question is: why is this government flying in the face of logic and politics to deliver a campaign promise to destroy the Canadian Wheat Board?

When in doubt, follow the money....

The large multinational grain companies have had it in for the CWB since the mid 1980's. Understandably so, since the CWB confers over \$800 million in benefits to western Canada farmers above what would be realized from an open market. Benefits that would accrue to

the grain companies themselves in terms of higher margins (lower input costs) if only they could eliminate the Board.

The Americans have been pestering Canada to get rid of the board too, for similar reasons. Also, they want to upgrade their lower quality grains with quality Canadian product. And have access to our freight system.

In April 2002, following a meeting with top US trade officials, North Dakota Wheat Commission Chair Maynard Satrom assured growers “the common objective of both the U.S. government and U.S. wheat producers is the ultimate reform of the monopolistic Canadian Wheat Board.”

Two weeks later, in Senate testimony, the US Department of Agriculture argued that the special privileges of single-desk sellers gave “unfair advantages” to CWB farmers, adding that American grain should be able to freely compete with Canadian grain for Canadian rail shipments.

Complaining that the practices of the CWB restrict US access to our market and make US producers less competitive on world markets, the USDA called for “fundamental reform” of organizations such as the CWB “to permanently assure that U.S. producers are treated fairly in the world market”.

In March 2003 a WTO challenge was launched. Canada won that action in April 2004, as well as its subsequent appeal several months later.

In May the following year, the North Dakota Wheat Commission was at it again. In a letter to the House Ways and Means Committee, it argued the CWB “has a longstanding history of ... creating and developing a competitive advantage ... in wheat markets around the world.”

Bully for the CWB. Exactly what they should be doing - giving farmers a comparative advantage on world markets.

According to the Canadian Business Resource “...their status as the only seller of western Canadian wheat and barley positions the CWB to earn premium prices for farmers on annual sales of over 2 million tones of grain to more than 70 countries. All revenue, less marketing costs, is returned to about 85,000 Prairie farmers. The CWB has a proud reputation for high-quality products, reliable supply and delivery and unparalleled customer support.”

A privately held member cooperative, the CWB ranked number 95 in this year’s list of the Financial Post’s FP 500 companies. Just behind SNC-Lavalin, Saputo Inc and Canfor Corporation.

For the CWB, dual desk selling is a whistle stop away from gone. Multinational competitors with deep pockets will bid away grain in the short term, and the CWB will starve to death.

Once gone, grower premiums of \$30-\$45 per tonne that farm economists attribute to the CWB will disappear forever.

But the damage will not stop there – collapse of the CWB will have a domino effect on the rest of the prairie grain economy.

Without the CWB, the producer car system will disappear. Presently, there are approximately 12,000 producer cars that arrive on demand at short line sidings across the Prairies to transport grain to Thunder Bay, Vancouver and Port Rupert, where it is bought by the CWB. Producer cars save farmers \$5-15 per tonne over delivering grain to a local elevator.

Unless farmers can find a 3rd party buyer to take the grain off their hands at port, the only option will be to haul it to the long line terminals of the multinationals, where farmers will be price takers of daily rates based on lowest-cost global grain supplies. A race to the bottom, and Stephen Harper would lead us all there.

As short line railways that rely on producer car shipments disappear, the small communities they support will grow smaller and less sustainable.

Independent grain handling facilities that today are supported by the CWB's overseas marketing connections will quickly disappear in a market dominated by transnationals.

Highways will further deteriorate, as farmers have no option but to haul grain longer and longer distances to larger and larger elevators.

Canadian grain will become generic and be mixed with the grain of other countries, lowering prices to western Canadian grain farmers.

With the top four firms controlling 73% of world grain markets and the top five controlling an 80% share, with six major North American rail companies controlling freight rates and car access, now is not the environment in which to weaken the power of farmers in the market place.

In response to this threat, the vast majority of western Canadian grain farmers together with Canada's major general farm organizations have stepped forward in strong support the CWB.

So we have the Americans, the multinational grain companies and the Harper government trying to dismantle the CWB, and Canadian farmers, farm organizations and the Canadian public trying to stop them.

Harper knows if farmers voted in a plebiscite as required under S 47.1 of the CWB Act, the single desk authority of the CWB would remain intact.

The publicity on this issue has, I suspect, forced Harper to overplay his hand.

Muzzling the directors of the CWB so they cannot defend farmers rights under section 47.1 of their Act and changing voter rules mid-election in an attempt to influence the outcome in the government's favour would raise concern even in a third world country.

Perhaps this "new" government doesn't know this, but such tactics are not acceptable in Canada.

I would like to close with a story that I think illustrated much of what I have said here today.

As an Agrologist, I went to Saskatoon on July 27th to stand with Canada's farmers in support of the CWB because I felt they were right and that professionals should come forward and say so.

When I had my 2 minute turn at the mike in the Vimy bandshell in the park, I encouraged other Agrologists to come forward in support of the CWB and the right of Canada's farmer's to make this decision.

That afternoon, I sat in a packed room listening to farm leaders from across Canada defend the CWB and the critical clout it gives farmers in an oligopolist-dominated marketplace.

Later that afternoon, Chuck Strahl emerged from the invitation-only meetings he had been having across the street with those who agreed with the Harper government's views on the CWB to hold a press conference.

I attended as a freelance columnist, Western Producer and asked the Minister whether his government was prepared to implement dual marketing without a supporting vote of producers and in violation of S 47.1 of the Act, then returned to BC to write my column over the weekend.

On Monday, as I was about to file my August Western Producer column (The Big Lie – a review of US agenda to destroy the CWB and the implications for Canada) I received a phone call from my Editor. Barb Glen seemed shaken. She said they had received a call from chuck Strahl's office - and from one other person - suggesting that my presence at the rally indicated bias on the part of the Producer.

My monthly column that had appeared on the op-ed page of the second issue of every month for the past 2 years was dropped permanently the next morning.

What would cause a paper to fire a prize winning (4 national awards for press column and press editorial in 3 years) and very popular Op-Ed page columnist?

Again, follow the money.

In a letter of October 3, 2006 to letter to Keith Wyndlow, Ladysmith, BC, Agriculture Minister Chuck Strahl's office notes: *The Western Producer is owned and operated by a private company, Western Producer Publications, in Saskatoon, Saskatchewan.*

I refer the Committee to the handout *Who Owns the Farm Media in Western Canada?* and in particular to the list of directors and their affiliations. Note in particular Brian Hayward, CEO of Agricore, Canada's largest grain handling/feed manufacturer.

The loss of my column at the Western Producer after one phone call from Strahl's office is not about me *per se*, it is MOST IMPORTANTLY about the rights of farmers to have an open and honest discussion of farm issues and to have knowledgeable and articulate advocates like myself speak out strongly on their behalf. Instead, I too have been muzzled.

Because I was called to give evidence before this Committee only a few days ago, I do not have copies of my handouts in French. And since unilingual material cannot, properly, be distributed to the Committee, I have instead posted it on a special web that I feel should be of interest to this Committee. It contains:

[Who Owns the Farm Media in Western Canada?](#)

August 18, 2006 transcript of [CBC Radio One Regina interview with Wendy Holm and Barb Glen The Big Fib](#). Central Alberta Farmer. September 2006
(Originally submitted as my August Western Producer column)

[Safety Net, CWB matters of trust](#). Western Producer. April 13, 2006

[Code for disaster, part two](#). Western Producer. March 9, 2006

[Dual desk is code for disaster](#). Western Producer. February 9, 2006

Frank Jacobs Award (Bronze) for Press Column at the 2006 Canadian Farm Writers and Broadcasters Awards held in Winnipeg...

To access this material, go to www.theholmteam.ca and follow the link.

Economists know that when capital concentrates, communities suffer. There is no better example than the agri-food sector. Farmers face this problem all the time. The CWB is critical to offset multinational power and return equity to farmers and their communities.

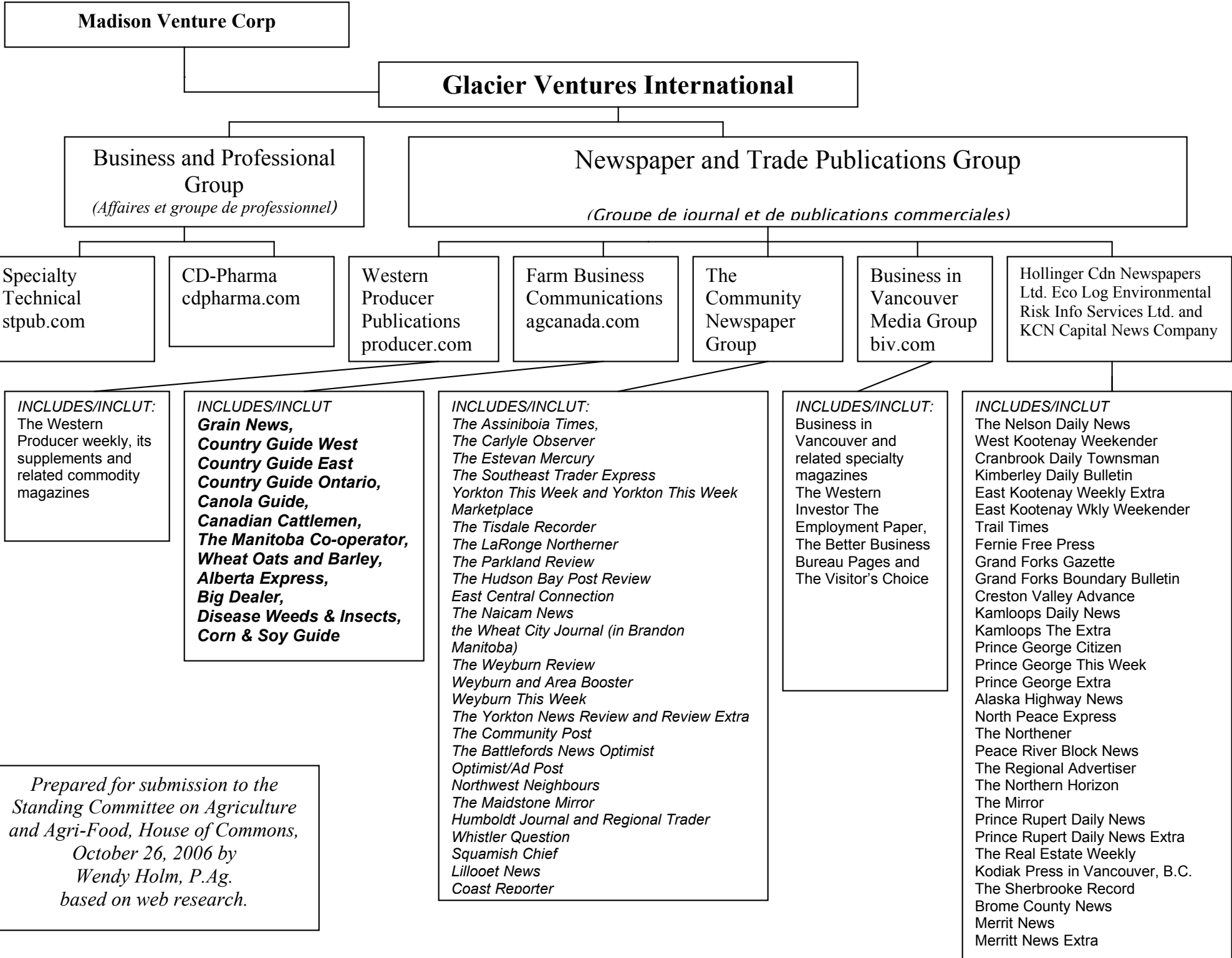
The Harper government, in lockstep with the interests of American grain farmers and transnational corporations, see Prairie agriculture as just another sector ripe for take over. Farmers will turn from decision makers to price takers. Strong and viable family grain farms will be replaced by mega-farms with farm managers in double-wides.

Section 47.1 of the CWB act is very clear. Any changes to the marketing of CWB grains must be supported by a grower vote of ALL eligible grain farmers in western Canada. The rights of farmers to rely on their enabling legislation must be respected.

[If Ottawa can override Section 47.1 of the CWB Act, it can just as easily undermine the legal framework under which other farm commodities operate.](#)

[It is up to all Members of Parliament to stop this nonsense in its tracks.](#)

Thank you.



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