

## The big lie...

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The Americans have been gunning for the Canadian Wheat Board since the mid 1980's. Some twenty years later, Canadian Prime Minister Stephen Harper is poised to give it to them on a platter.

Coming out of a July 27<sup>th</sup> meeting to which only those who held the same opinion were invited, Harper's agriculture minister Chuck Strahl said his government is ready to implement its election promise to revoke the single-desk selling authority of the Canadian Wheat Board.

What an American-based WTO challenge and trade countervail action could not accomplish, Harper is about to deliver. Washington must be so pleased.

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 it's 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."

Well done! And the results are impressive. 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.

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."

Yet, on July 27<sup>th</sup> the Conservative government told farmers they are ready to implement legislative and regulatory changes to remove the single-desk authority of the Canadian Wheat Board.

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.

The CWB's role in producer car allocation is a case in point. 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.

Without the CWB, the producer car system will disappear. Unless farmers can find a 3<sup>rd</sup> 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.

Section 47.1 of the Canadian Wheat Board Act is very clear – no Minister will introduce any changes to the marketing of wheat and barley without consulting with the CWB and putting it to a producer vote.

Stephen Harper and his government apparently feel they are above this process. Strahl says they will enact legislative and regulatory changes to remove the single desk sales authority of the CWB, and are prepared to do so with or without CWB support.

Bill C-300 is part of that strategy. A private members bill that will amend the Wheat Board Act to allow non-CWB sales, it is sponsored by Agriculture Committee chair Jerry Ritz. Bill C-300 comes before the House for third reading and vote this September.

The Harper agenda for Prairie agriculture sees grain as just another sector ripe for take over by multinational interests. 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.

Western Canada voters did not give Harper a mandate to deliver Washington's wish list for the Canadian Wheat Board.

If farmers stand for this, we will fall for anything. Democracy is on the line.

Next month's column will focus in on Bill C-300, and why it must be defeated in September.

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*NOTE: I attended the July 27th rally in Saskatoon in support of the Canadian Wheat Board as an Agrologist and at my own expense. I am a freelance columnist and not a member of The Western Producer staff. My participation of the events of July 27, including walking with farmers in an early morning information picket, was as a Canadian Agrologist. My participation did not in any way represent the views of The Western Producer. I apologise if there was any confusion in the minds of some in attendance.*