

Pro-CWB Campaign, News Release

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Strahl's partisan appointments blatant attempt to undermine single desk selling

(Western Canada) "The Harper Government is abusing its appointment powers to stack the Board of Directors of the Canadian Wheat Board (CWB) with people hostile to the CWB's single desk selling authority. This authority is essential for a strong CWB. These appointments are tilting the balance of power away from farmers' interests and towards the big grain companies" charges Art Macklin, a DeBolt area farmer and the elected CWB Director for District 1. "The Harper government promised to clean up Canadian politics but they are doing the opposite with their blatant partisan, patronage appointments to the CWB."

In April of 2006 the CWB Board of Directors sent a letter to Minister Strahl suggesting an objective process for selecting appointed CWB Board members. The CWB also offered to hire a professional executive recruiting firm to seek directors with experience, knowledge, and skills to complement those of the existing board. Three candidates would be identified for the Minister to choose from. In a letter received from the Minister in June 2006, he rejected the process by stating "it is also important that directors appointed by the government understand and support the directions of government policy in areas affecting the CWB."

"In Minister Strahl's news releases announcing his appointments to the CWB Board he also blatantly asserts these Directors are being appointed to implement Government policy. I would point out the CWB does not exist to implement government policy or the whims of a particular Minister. As a matter of fact, the intent of the CWB Act is to maximize returns to farmers through orderly marketing and directors have a fiduciary duty to pursue this obligation. We need people who bring valuable knowledge, experience and expertise to the Board table" remarked Bill Nicholson, a farmer elected director to the CWB from Manitoba. "These partisan appointments represent one more step in an unprecedented government attack on the Wheat Board" said Nicholson.

In the last few weeks Harper's Agriculture Minister, Chuck Strahl, has fired one CWB director who expressed doubts about the wisdom of Harper's goal of ending the single desk. Another director resigned to make way for a Strahl appointee, and received a plum appointment to a directorship on the Bank of Canada. Of three vacancies on the CWB Board, one remains vacant and two have been filled with government appointees who have been heavily involved with transnational grain companies and organizations with a long history of calling for the destruction of the CWB. Nicholson continued by saying "It seems clear they are attempting to undermine the CWB from within."

"Unfortunately the Harper government has the power to appoint five of the fifteen CWB directors. The P.M. and his industry cronies know that in a fair election and a fair vote, farmers will never tolerate their plans to wreck the CWB's single desk selling responsibilities, so they are trying this back door approach by appointing people like Bruce Johnson" stated Kyle Korneychuk, a candidate for CWB director in District 7.

Over the past eight years only two of the ten farmer elected directors have supported the Conservative's policy of eliminating farmer market power by removing single desk selling. "If Strahl's partisan appointees fill all government positions on the CWB Board, the balance could soon tip in favour of those whose policy would kill the CWB," Macklin said. He concluded by saying that the farmer vote in this CWB Director election has never been more crucial to the survival of the CWB."

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Backgrounder

- The CWB has a 15 person Board of directors with 10 elected by farmers and 5, appointed by the government. The appointed directors have a three year term, however the appointments can be rescinded at the whim of the government. The elected directors have a term of four years and there is currently an election being held in Districts 1,3,5,7,and 9.
- Eight of the ten elected directors support a strong CWB with single desk selling authority that gives farmers market power. Two of the elected directors support removing the single desk selling authority which would remove farmer market power and turn it over to the big four transnational grain corporations whose control of the global grain market has risen from 62 percent to 73 per-cent in the last five years.
- Bonnie Dupont, Group Vice President, Corporate Resources for Enbridge Corporation, originally resigned as of Nov. 30, 2006, however she informed Agriculture Minister Strahl's office that she would be prepared to resign at an earlier date, if required. She did accelerate her resignation and she has now received a government appointment to the Board of the Bank of Canada.
- Ross Keith, a lawyer and entrepreneur from Regina, has been an appointed member of the CWB Board since January, 1999. He received a letter from the Minister's office stating the government was considering new appointments and asking him to respond. He responded by saying he originally thought that a dual market concept was possible, however he now understands that it is not possible and that the single desk selling authority is essential for the CWB to add value for farmers. He said he would like to continue serving farmers for the duration of his term which would end on December 31, 2007. He was fired by the government, effective October 26, 2006.
- The term of Lynne Pearson, a well respected academic and the Dean of Commerce at the University of Saskatchewan, expired in June and she was not reappointed.
- Lynne Pearson's successor is Ken Motiuk. He is a farmer and was formerly on the Board of a subsidiary (Agricore United) of a competitor of the CWB in the global grain market, Archer Daniels Midland (ADM). Mr. Motiuk also spent several years on the Board of the anti-CWB group, the Western Canadian Wheat Growers Association.
- Bruce Johnson, a consultant, a member to the recent government Task Force on dismantling the CWB, and former executive released from Sask Pool after its failed privatization, was appointed to fill a vacancy on the CWB Board

Farmers should not be fooled by the government or others who say the Canadian Wheat Board without single desk selling authority will still be strong, and viable player. Without the single desk selling authority the CWB is a small, under-funded grain trader with no handling facilities, dependant on its competitors to execute any sales. As the CWB stated in it's presentation to the government Task Force on dismantling the CWB, "without the single desk the CWB will close the door."

Harper, Strahl and his appointees are intent on eliminating the market power that farmers have through the CWB. They want to turn complete control of the Canadian grain industry over to the big five transnational grain corporations who already control 80% of the global grain trade. The CWB's competitors in the global grain trade have been attacking the CWB from outside for many years. If they gain control of the CWB Board with the aid the government they will undermine the CWB from the inside.

With the single desk selling authority the CWB negotiates on behalf of all grain farmers to achieve the best price possible from purchasers and negotiates with grain handlers and railroads for the best level of service at the lowest cost.

Ending the CWB's single desk will mean:

- Multiple sellers will bid away any premiums in high end markets like Japan and the U.K.
- Individual farmers will be on their own when dealing with railways and giant transnational grain companies
- Companies will decide who gets to deliver and when
- Delivery access will be rationed by price which the railways and grain companies will be free to manipulate for their own benefit
- There will be no market development for the benefit of farmers though the CWB
- There will be no Identity Preserved Market Development Contracts though the CWB
- The CWB will not be there to fight American trade challenges
- The CWB will not be there to lobby on behalf of farmers on any policy issue including transportation, genetically modified wheat, or quality assurance, etc.
- Producer car shippers and small grain companies will be at the mercy of the big companies who own the export terminals
- Because of distance from port and major markets, Canada will become a residual supplier of grain in the world market

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