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HOPPER CAR PLAN NO BENEFIT TO FARMERS

Several major farm organizations say the federal government is putting partisan politics ahead of economics in considering a plan to transfer ownership of its hopper car fleet to the Farmer Rail Car Coalition (FRCC).

The organizations, representing grain producers, say the plan will do nothing to improve grain transportation and could end up costing farmers money through higher freight rates or increased import duties.

In a letter to Transportation Minister Tony Valeri, the farm groups say the government will open itself to charges of political favoritism and invite trade sanctions if it awards the cars to the FRCC on a non-commercial basis.

“The last thing our industry needs is to be embroiled in another political fracas over grain transportation, intensifying scrutiny from our international competitors and customers,” said Cheryl Jolly, president of the Western Canadian Wheat Growers Association, one of the signatory groups to the letter. She added “it is important that we move beyond partisan political motivations and get on with moving grain in a competitive, commercial manner.”

Dr. Al Loyns, president of the Prairie Oat Growers Association and also a signatory, noted that at present the U.S. has placed a countervail on imports of wheat due to the subsidy arising from the Government of Canada hopper cars, “we certainly cannot afford the possibility of more trade sanctions on more products due to ill-conceived government actions with regard to disposing of the hopper cars,” he added.

The organizations are calling on the minister to consult with all farmers before deciding the fate of the cars and to address a number of key questions about the FRCC proposal.

Western Canadian Wheat Growers Association withdrew from the FRCC after concluding the proposal would be of no benefit to farmers. The Saskatchewan Canola Growers Association also recently withdrew their membership in the FRCC.

“We are concerned the cars could turn into a huge liability for farmers while failing to address the well-documented problems in our transportation system,” says Doug McBain, president of the Western Barley Growers Association. He adds, “the private interests of a few individuals and companies should not dictate how the Government hopper cars are disposed of, especially when it puts us all at risk.”

The letter is signed by the Western Barley Growers Association, the Western Canadian Wheat Growers Association, and the Prairie Oat Growers Association.

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