



For Immediate Release

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Re-introduction of EU Wheat Subsidies to Lower Prairie Wheat Prices

The Western Canadian Wheat Growers Association (WCWGA) is disappointed by a recent announcement by the European Union (EU) to reinstate export subsidies on as much as two million tonnes of wheat.

“This announcement comes at a very bad time,” says Cherilyn Jolly, President of the WCWGA. “Wheat prices are already low and the use of these subsidies will only push world prices lower.”

The EU has not issued export subsidies on wheat since June, 2003, and agreed to eliminate the use of export subsidies as part of the WTO framework agreement reached last July. However that commitment will not be honoured until a final WTO agreement is reached.

“We realize the EU is within its right to issue these export subsidies under the existing rules, but nevertheless it goes against the spirit of the framework agreement,” says Jolly.

The Wheat Growers have written to the Hon. James Peterson, the federal Minister of Trade asking him to voice Canada’s concerns to the EU in an effort to ensure their use of these trade-distorting subsidies is minimized. EU export subsidies on wheat, oats and barley are generally considered to be among the most damaging forms of trade-distorting support and often have a severe impact on Canadian farm prices.

“The EU announcement underlines the importance of reaching a final WTO trade agreement,” says Jolly. “We urge the Canadian government to work with other WTO members in securing a final trade pact as quickly as possible, and to ensure that export subsidies are eliminated within a short time frame.”

The WCWGA, an independent producer organization, has spent 35 years bringing forth innovative farmer-driven solutions and will continue to lobby on behalf of forward thinking, progressive producers in an effort to make farming sustainable and profitable.

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Innovative, farmer-driven solutions.