



For Immediate Release

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Wheat Growers Seek Increase in Initial Prices

The Western Canadian Wheat Growers Association is calling on the federal government to increase its guarantee of initial prices offered to prairie farmers by the Canadian Wheat Board.

“These initial payments are extremely low,” says Cherilyn Jolly-Nagel, President of the Wheat Growers, “especially when you consider the higher fuel and fertilizer costs that farmers are facing this fall.”

The federal government appears to have set the initial prices at overly low values. The initial prices range from 57% to 70% of current projected final values. However, because of deductions for freight and handling costs, the farmgate value is often proportionately much lower.

For example, the average initial price of wheat (2 CWRS 13.5%) at an elevator in Saskatchewan is \$1.92 per bushel, which is a mere 52% of the final projected price of \$3.71 per bushel.

“World prices are already at very low levels,” notes Jolly-Nagel. “There’s not a great deal of downside risk. In our view, there’s room to move these initial payment prices upward.”

The Wheat Growers note that the low initial prices for wheat and barley established by the federal government are having a depressing effect on off-board feedgrain prices and contribute to lower prices for non-Board grain.

“Cashflow is critical at this time of year,” says Jolly-Nagel. “The low initial prices and limited delivery opportunities for Wheat Board grain means farmers are often forced to sell grain into the off-Board or non-Board market at a time when returns are poor,” explains Jolly-Nagel. “That’s why it’s extremely important that CWB initial payments be set as high as good prudence will allow.”

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.