



For Immediate Release

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New Study on CWB Pricing Confirms Need for Choice

A new study released today by the C.D. Howe institute confirms what farmers already know – that the Canadian Wheat Board provides western farmers with lower returns for their wheat than what U.S. farmers are able to attain.

The study provides a detailed day-by-day analysis of prices received by Montana farmers for hard spring wheat and compares these to prices offered by the CWB under its now-defunct Daily Price Contract (DPC). The analysis covers the three-year period from August 2005 to July, 2008.

The study finds that U.S. prices were, on average, \$19.78 per tonne or \$0.54 per bushel higher than CWB prices over the three-year period.

“This is yet another independent study that shows the open market provides farmers with higher returns than what the CWB is able to achieve,” says Cherilyn Jolly-Nagel, President of the Wheat Growers. “It’s further evidence that giving prairie farmers marketing choice would be one of the best ways to immediately improve farm profits.”

The CWB’s Daily Price Contract was designed to give western Canadian farmers the opportunity to price their wheat on a spot basis, based on a basket of U.S. elevator prices. While prices often fell short of U.S. price offerings, the program at least allowed farmers to price their wheat at a time of their choosing. The CWB ended the program at the start of this crop year and replaced it with a much less transparent FlexPro program.

The Wheat Growers believe the study represents further justification for the federal government’s plans to give western farmers marketing choice for their grain, as proclaimed in yesterday’s Throne Speech.

“The Throne Speech talked about the difficult economic situation our country is facing. For the western farm economy, the best way to meet this challenge would be to free up the wheat and barley markets,” says Mike Bast, Chair of the Wheat Growers. “This will significantly improve farm profits and attract much-needed new investment in grain processing and research.”

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