



For Immediate Release

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CWB decision is costing prairie durum growers more than \$30 per acre

The decision earlier this year by the Canadian Wheat Board (CWB) to hold back sales of durum wheat will cost prairie farmers more than \$30 per acre, says the Western Canadian Wheat Growers Association.

Projected returns this year for milling quality durum wheat have dropped by \$3.85 per bushel from returns received last year.

In 2008/09, CWB officials elected to accept only 74% of durum wheat offered by prairie farmers, forcing them to carry over 26% of their durum supplies to this crop year or to sell into the much lower priced feed market.

The CWB's latest Pool Return Outlook, released today, is projecting a final return of \$4.62 per bushel for #1 durum wheat (13.0% protein) for the 2009/10 crop year, basis Saskatchewan. This compares to a projected final return of \$8.47 per bushel in the 2008/09 crop year.

According to Agriculture Canada, durum yields across the prairies in 2008 averaged 34 bushels per acre. This means that the CWB's decision to hold back durum sales will end up costing prairie farmers \$34 per acre (34 bushels/acre x \$3.85 x 26%) or a loss of more than \$200 million on a prairie-wide basis (6 million durum acres in 2008 @ \$34 per acre), excluding storage and interests costs.

What's worse is that the CWB's monopoly did not generate higher returns for western Canadian farmers in the 2008/09 crop year. While Saskatchewan durum growers can expect to receive \$8.47 per bushel for last year's crop, the prices received by Montana durum growers over the same time period averaged Cdn \$9.29 per bushel for the same quality durum (#1, 13% protein). Moreover, Montana farmers were able to receive all of their money upfront, whereas Canadian farmers will have to wait until December to receive full payment for their 2008/09 deliveries and December 2010 for the 26% carried over into this crop year.

"Where's the CWB's single desk premium?" asks Stephen Vandervalk, Alberta Vice President of the Wheat Growers. "Not only do we get a lower price, but we end up incurring higher storage and interest costs. On top of that, we've lost a ton of money on the durum we involuntarily carried over into this crop year."

"I may make a 100 good decisions on my farm and yet they can all be undone by a single bad decision by someone sitting at a desk in Winnipeg," says Vandervalk. "I have no problem with those farmers who want to turn responsibility for their grain marketing over to the Wheat Board. But many of us would rather make our own marketing decisions, instead of leaving our fate in the hands of those who have no skin in the game."

For further comment or to obtain the Montana price information, please contact:

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