

The Prairie Voice

Fall 2005

From the President "Wheat Growers Tackle Pocketbook Issues," Cherilyn Jolly-Nagel

Like you, I'm not very impressed with grain prices these days. That's why the Wheat Growers are focussing a good chunk of our efforts on issues that could bring more dollars into your pocketbook in the short term. Of course, that doesn't mean we're letting up on those issues that will be key to your long-term profitability – like marketing choice, trade liberalization and pesticide harmonization – but we realize many farmers are facing immediate financial pressures. So the Wheat Growers have set some short and medium term goals, including:

- Working to introduce falling number grading, so that wheat is not unnecessarily downgraded. On a 1,000 tonnes, the difference in value between #3 and feed wheat is over \$40,000. While not every farmer with sprouted grain will see an improvement in grades, we want to make sure all of us have an opportunity to get paid for what we've grown and delivered. Falling number grading is already being used in Europe and the U.S. as a basis for buying grain from farmers, so that tells me that the marketplace sees value in this technology.
- Seeking an increase in initial prices. On September 30, we sent a letter to CWB Minister Reg Alcock asking that initial prices be raised to 80% to 85% of projected final values. Currently, prices are 70% or less than the expected final return.
- Promoting competition, by maintaining the option to deliver your grain to either licensed or non-licensed facilities. We do not support the Canadian Grain Commission's proposal to implement mandatory licensing and bonding on August 1, 2006, and have instead put forward several alternatives.
- Ensuring farmers have unobstructed access to imported farm chemicals. The Wheat Growers support free trade in both farm inputs and outputs.
- Working to get changes to CAIS inventory valuation rules and to simplify and speed up the administrative process. One of our directors, Dean Klippenstine, is a chartered accountant and is pushing for this change as our representative on the National Safety Nets Advisory Committee.
- Seeking an increase in the interest-free cash advance portion to \$100,000, to better reflect the scale of today's modern farming operation. We see increasing the limit as an effective way to provide "WTO-green" financial support to farmers.
- Calling on governments to reduce education taxes on farm property, as well as fuel taxes and energy taxes embedded in farm inputs such as fertilizer and chemicals.

These are just a few of the issues the Wheat Growers are working on. We're concentrating on those problems where we feel we can make the most progress. If you feel there's an issue we should be tackling, please let us know. We're here to serve your interests. □

WTO Update . . .

The Wheat Growers plan to represent your interests at the WTO Ministerial meeting in Hong Kong in December. This meeting is crucial if we are to achieve any meaningful progress in reducing trade distortions and in gaining improvements in market access for Canadian agricultural exports. President Cherilyn Jolly-Nagel and Chair Randy Hoback will be among several Canadian farmers participating in the Hong Kong meetings.

Convention 2006

Solutions for Profitable Agriculture is the theme of our 2006 Convention, taking place March 15-17, 2006 at the Delta Bessborough in Saskatoon, Saskatchewan.

Topics to be covered at the event include trade, transport, marketing, grain grading, science and technology, the future of the Canadian Wheat Board, value-added issues and farm inputs.

Keep posted for program and registration details, to follow shortly.

CWB Election Review

The Panel appointed to review CWB director election rules will be submitting its report to the federal government at the end of November. One of the key issues will be whether the panel recommends a weighted ballot for electing directors to the CWB. The Wheat Growers support the concept of a weighted ballot, because we believe those who have a greater economic stake in the production and sale of grain should have a greater say in how the CWB is governed. That's certainly not the case now. According to CWB records, there's a large number of eligible voters who deliver little or no grain to the CWB. As the following table shows, in the past three crop years, about half of those recorded as CWB producers have delivered less than 33.5 tonnes to the CWB. We realize some of these producers may be bona fide farmers, but when you have over 40,000 "producers" who deliver such little grain to the Board, it's likely that grain farming is not the main source of income for many of them. The Wheat Growers don't think it's right that these people have the same say in CWB elections as those of us who depend on farming for our livelihood. For more on this issue, look for Cherilyn's column in the November issue of *Grainews*.

CWB Delivery Statistics	02/03	03/04	04/05
Number of eligible voters delivering <33.5 tonnes	65,639	44,730	46,148
Total number of eligible voters	113,659	104,804	97,325
Percentage of eligible voters delivering <33.5 tonnes	57.8%	42.7%	47.4%

Wheat Growers in Action . . .

- On August 10, the Wheat Growers issued a media release commenting on the ongoing duties applied against Canadian hard red spring wheat exports to the U.S. The duties have cost prairie wheat growers over \$100 million in lost revenue and \$15 million in legal costs. Meanwhile, since the duties were imposed on spring wheat, winter wheat exports from Ontario to the U.S. have more than doubled.
- At hearings in Saskatoon on August 17 the Wheat Growers presented our views to the CWB Election Review Panel. Representing the Wheat Growers were President Cheryl Jolly-Nagel, Chair Randy Hoback, and Marketing Chair Con Johnson. We spoke about the need to clean up the voter's list, obtain a weighted panel and have the election overseen by an independent Election Commission. A copy of the Wheat Growers formal submission can be obtained by contacting our office or visiting our website.
- On August 26 in Winnipeg, Blair Rutter, Executive Director, participated in a roundtable meeting with federal Agriculture Minister Andy Mitchell to discuss upcoming trade talks. Blair emphasized the need to get EU export subsidies eliminated as quickly as possible, and how 90% of Canadian farmers are reliant on export markets.
- On September 14, Chair Randy Hoback attended a trade meeting hosted by the Alberta government in Nisku, AB. Randy met at length with Alberta Agriculture Minister Doug Horner, and was pleased to see our views on trade are well-aligned.
- In September, the Wheat Growers put forward its submission to the Canadian Grain Commission on the Commission's proposal to introduce mandatory licensing and bonding. The Wheat Growers put forward several alternative solutions. We are concerned imposing mandatory bonding could lead to a lessening of competition in the grain industry and believe farmers should have the option of dealing with bonded companies or not.
- On September 15, President Cheryl Jolly-Nagel participated in a roundtable meeting with Saskatchewan Agriculture Minister Mark Wartman to discuss the government's

trade position. Jolly-Nagel emphasized the dependence of prairie farmers on access to export markets and the need to lower tariffs.

- President Cheryl Jolly-Nagel gave several media interviews following our media release calling on the federal government to increase CWB initial prices. The Wheat Growers noted that initial prices were 57% to 70% of expected final returns, basis port position. At the farmgate level (i.e. after freight and handling charges are deducted), the initial prices are closer to half of projected final prices.
- On September 21, the Wheat Growers issued a media release calling on the industry to introduce falling number grading as quickly as possible, so that farmers with sprouted grain can get full value for what they've grown. This grading technology is being used in Europe and the U.S. as a basis for buying grain from farmers. The CGC has since set a target implementation date of August 1, 2006.
- On September 23, President Cheryl Jolly-Nagel appeared as a guest on the Saskatchewan television program, Farm Gate, where she spoke about the issues affecting farm profitability and how the Wheat Growers are a positive voice for change. Cheryl was amazed at the number of comments she received from farmers and non-farmers who caught the program.
- On October 6, the Wheat Growers put out a media release welcoming the decision of the U.S. International Trade Commission to reverse its decision to impose tariffs on Canadian wheat imports. The North Dakota Wheat Commission has since filed an appeal of the decision. The Wheat Growers believe that marketing choice would go a long way to resolving the never-ending trade friction on wheat. The Wheat Growers noted that the annual value of Canadian canola and canola product exports to the U.S. are typically twice the level of our (non-durum) wheat exports.
- On October 12, Blair Rutter, Executive Director met with Peter McLeod of CropLife Canada to discuss the Own Use Import regulation that allows farmers to import pesticides from the United States. Blair noted that while the Wheat Growers respect intellectual property rights, we support free trade in both crop inputs and outputs, and will seek to ensure farmers continue to have access to pesticides that are chemically equivalent to products registered in Canada.

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Join us November 11 at Red Deer's Agri-Trade show for a WCWGA dinner. Call 306-586-5866 to reserve your tickets, \$10 for members & \$15 for non-members. While at the show, visit the WCWGA booth.

