

The Wheat Grower

June 2009

From the President, Kevin Bender

It's been six months since I was elected President of the Wheat Growers. It's been quite a ride so far. Thanks to everyone for your encouragement and good wishes.

I consider it a great privilege to lead an organization with such a proud history. The Wheat Growers have a rich tradition of being out front, putting forward ideas and proposing policy solutions to help make farming more profitable.

It is an honour to serve on a board with individuals so dedicated and so passionate about progressive change in agriculture. All of our directors serve on a voluntary basis, and while it is not without sacrifice, these sacrifices are made because we are all determined to create a brighter future in farming.

I realize I have huge shoes to fill. The leadership, contributions and commitment of Cheryl Jolly-Nagel as your President over the past five years were exceptional. I'm certainly glad she decided to stay on our board of directors and continue as an excellent sounding board for me.

I hope to run the Wheat Growers organization in the same way our family runs our farm - with openness, honesty and continually striving to do things better.

My desire is to always take the high road. As a rule, the Wheat Growers don't criticize our critics. Instead, we strongly promote what we believe in

and why we believe our solutions are the best for prairie agriculture.

My number one goal is to obtain a voluntary Canadian Wheat Board. As a director of the Alberta Canola Commission for the past 4½ years, I've seen the value of an open market. The canola industry has attracted a tremendous amount of investment in research and value-added processing. It's very much an entrepreneurial "can-do" industry and farmers have seen the benefits firsthand.

I'm convinced that freeing up the wheat and barley market would generate similar benefits and help end the "ideological divide" that is so destructive to the overall well-being of our industry.

At the Wheat Growers, we pride ourselves on our self-reliance and sense of responsibility. In this era of bailouts and entitlements, these traits seem to be increasingly rare. Over time however, I believe these values will hold us in good stead.

The Wheat Growers are net contributors to society and we wouldn't want it any other way. We're not looking for a free lunch. We're simply looking for the freedom to run our businesses in a way that gives us the ability to create more prosperous farms and communities.

As your Wheat Grower president I look forward to receiving your advice in pursuit of these goals. Thank you again for your encouragement and support.



Meet your President

Kevin Bender, age 38, farms with his father and brother at Bentley, AB, northwest of Red Deer, growing barley, canola, oats, peas, spring and winter wheat on 3,800 acres. He has served as a director with the Alberta Canola Producers

Commission for the past 4½ years. This past year, he was Conference Chair of FarmTech 2009 in Edmonton. Currently he chairs the board of directors of his church camp that he has been a part of for 12 years. Kevin and his wife Sara have three children: Annika - 7, Samuel - 4, Lydia - 20 months and they are anticipating another child at the beginning of September.

"Proud History, Prosperous Future"

Wheat Growers 40th Annual Convention

Orlando, Florida

January 12 to 14, 2010

The Wheat Growers are pleased to announce that our 40th anniversary convention and annual meeting will be held in conjunction with the Ag Connect Expo in Orlando, Florida.

Ag Connect Expo will be North America's largest farm machinery show and will feature the latest innovations, numerous educational seminars and several prominent speakers.



Our convention will be held at the fabulous Renaissance Orlando Hotel at SeaWorld.

The Wheat Growers have struck a special deal with WestJet for those attending our convention. Travel and registration information will be mailed to you soon and posted on our website, www.wheatgrowers.ca. A passport will be required to gain entry to the U.S. (whether travelling by air or road), so be sure to obtain a passport or check the expiry date on your existing one.

For more information on the Ag Connect Expo, visit their website at www.agconnect.com

This convention will represent the third time in our history that the Wheat Growers will be holding our convention outside the prairie region. It promises to be a memorable event and a great opportunity for you and your family to take in many of the tourist attractions in the Orlando area including SeaWorld, Walt Disney World and the Kennedy Space Station.

Make plans now to attend this informative and exciting convention. Join us to celebrate our proud 40 year history, help set our policy direction, and gain the knowledge to generate a more prosperous future for your farms.

Win a Free Trip to Convention 2010!

The Wheat Growers will be conducting a draw for a free trip to the Wheat Growers' 40th annual convention, to be held January 12 to 14 in Orlando, Florida.

Expenses to be covered include a round-trip economy fare for one person from western Canada to Orlando, 4 nights accommodation at the Renaissance Orlando Hotel at SeaWorld, and complimentary convention registration.

To be eligible for the draw you must be a Wheat Grower member and recruit at least one new member to the Wheat Growers. One draw ticket will be issued for every new member you recruit between now and December 1st. The draw will be held in December and staff from AgriBiz Communications (the firm that handles our administration and bookkeeping) will act as scrutineers for the draw.

How much is the CWB costing you?

By Rolf Penner, Manitoba Vice President of the Wheat Growers

The following chart shows the projected return under the CWB's latest Pool Return Outlook for its flagship hard red spring wheat contract and compares it to average open market elevator prices in the United States.

At \$250.69 per tonne, basis Manitoba, the CWB return is \$43.56 per tonne or \$1.18 per bushel below the open market average price.

This works out to a loss of over \$26,000 for every 500 acres of wheat a farmer grew (assuming an average yield of 45 bushels an acre).

The open market or DTN average price is based on the average price at over 300 elevators surveyed daily in the US, converted to tonnes in Canadian dollars.

What is even more startling is that the lowest price on the DTN data set is \$250.81 a tonne on October 6, 2008. With the PRO backed off to Manitoba coming in at \$250.69, what this tells us is that you could have sold your entire crop on the worst possible day in the open market and still got as good a price as you'll get through the CWB. Better actually, because you would have had all of your money already last fall, and with the Board you'll get it sometime after next Christmas.

What's the highest price you could have sold your wheat for on the open market? \$351.14 or 9.56 per bushel on August 14, 2008.

The CWB often argues that these comparisons are unfair because we can't sell all our wheat into the U.S. "premium" market and that it is required to sell wheat off-shore into lower-priced off-shore markets.

Yes, of course we know the U.S. can't absorb all our wheat, but that's not the point. The simple question we're asking is why does the open market provide U.S. farmers with higher returns when U.S. grain sellers face the exact same world market the CWB faces?

It is the CWB that boasts about the "power of the single desk" and its ability to get higher prices. If that's the case, why don't these higher prices show up in our final returns?

This is not a one year phenomena. The Informa study found that the open market provided higher returns to U.S. farmers in five of the past six years, for both spring wheat and durum.

It doesn't matter how you slice it, the evidence is overwhelming that the CWB monopoly fails to provide us with higher returns than the open market. This evidence however doesn't stop the CWB from telling you that the open market is simply a "race to the bottom". As this chart shows, it is the CWB, and not the open market, that races to the bottom.

Wheat Growers in Action

- On February 25, Cheryl Jolly-Nagel, Past President was the guest speaker at a breakfast held by the Frontier Centre on Public Policy in Regina. The title of her presentation was "Making the Case for a Voluntary CWB".

- Blair Rutter, Executive Director attended the Commodity Classic in Dallas, TX at the end of February. The Commodity Classic is the national convention of U.S. wheat, corn, soybeans and cotton growers. While at the convention, Blair met with several representatives of the National Association of Wheat Growers (NAWG) and U.S. Wheat Associates and attended the NAWG annual meeting.

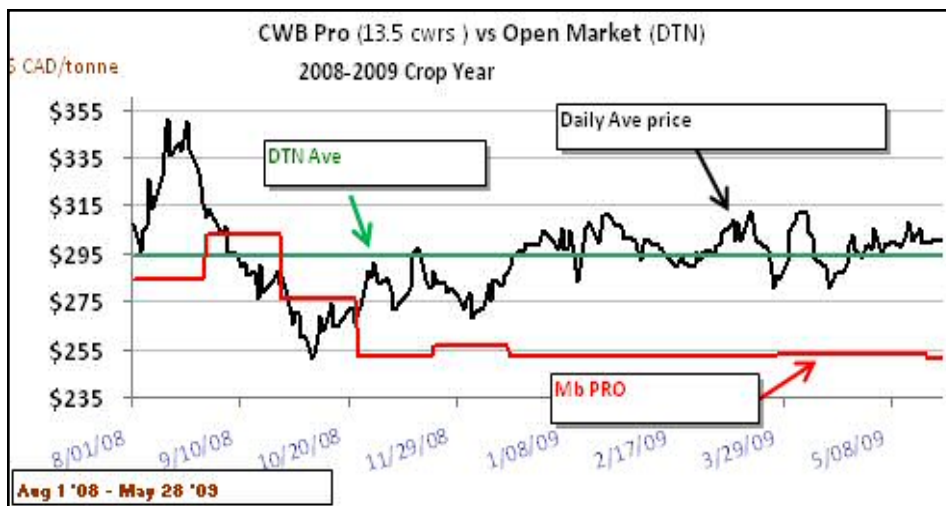
- Gerrid Gust, Secretary-Treasurer, is the new Wheat Grower representative on the Western Grains Research Foundation board of directors. Gerrid attended his first WGRF board meeting on March 5, which dealt mainly with governance matters and the railway revenue cap funding issue

- Cheryl Jolly-Nagel was honoured by Olds College as this year's recipient of its Partner Award. Cheryl was the guest speaker at the College's awards gala on March 13. Congratulations Cheryl!

- On March 14, the Winnipeg Free Press published an opinion piece by Rolf Penner, Manitoba Vice President, entitled "Ignatieff should rethink the Wheat Board".

- On March 18, Alberta Director Matt Sawyer and Blair Rutter attended an On-Farm Food Safety seminar hosted by the Canada Grains Council in Winnipeg.

- On March 31, Mike Bast, Chair and Stephen Vandervalk, Alberta Vice President made a presentation in Ottawa to the House of Commons Standing Committee on Agriculture. The hearings were being held to examine ways to improve the competitiveness of Canadian agriculture. Our presentation focussed on the need to promote innovation, trade and free markets.



Wheat Growers in Action *Continued*

- While in Ottawa, Mike and Stephen met with several Members of Parliament including Mark Eyking (Liberal vice-Chair of the Ag Committee), Frank Valeriote (Liberal member of the Ag Committee), Randy Hoback (Conservative member of the Ag Committee), Ted Menzies (Conservative MP), Ag Canada officials and Liberal Party research staff. Main point of discussion was CWB director election reform.
- On April 3 the Wheat Growers issued a press release expressing our disappointment over the shelving of Bill, C-13 which would have eliminated the cost of unnecessary grain weighing and inspection services at the ports.
- Kevin Bender, President and Blair Rutter, participated in Monsanto's Grower Advisory Council meeting in Washington, D.C. in early April. This was a good opportunity to learn more about U.S. farm policy and Monsanto's research initiatives. Among the invited speakers were Mary Kay Thatcher, Public Policy Director with the American Farm Bureau and Daren Coppock, CEO of the National Association of Wheat Growers. The Advisory Council also paid a visit to the Canadian Embassy and met with Michael Wilson, Canada's Ambassador to the U.S.
- Cherilyn Jolly-Nagel gave the keynote address at the Minnesota Agri-Women's leadership conference in Minneapolis on April 14.
- Director Grant Dyck and his wife Colleen were honoured at being named Manitoba's Outstanding Young Farmer at an awards ceremony on April 19. Congratulations Grant and Colleen!
- On April 21, Director Bill Rusk attended the Western Grains Standards Committee meeting in Winnipeg. Bill continues to raise the HVK issue and how wheat (including durum) may be downgraded due to its appearance when its milling qualities don't warrant the downgrade. The Canadian Grain Commission is conducting more testing, but needs farmers to submit more grain samples.
- On May 6, Cherilyn Jolly-Nagel and her husband David hosted CAFTA President Darcy Davis and Executive Director Kathleen Sullivan for a spring seeding farm tour.

- On May 8, the Wheat Growers, together with the Grain Growers of Canada and the Alberta Winter Wheat Producers Commission wrote to federal Agriculture Minister Gerry Ritz, seeking an exemption from the CWB monopoly for wheat varieties in the General Purpose wheat class. The Canadian Wheat Board does not market these varieties into milling markets even though some of them are suitable for milling and are grown and sold into milling markets in the United States.
- On May 14, the Wheat Growers were one of nine organizations to release a statement in support of the commercial introduction of biotech wheat. The statement was endorsed by three grower groups in Canada (Wheat Growers, Grain Growers of Canada and the Alberta Winter Wheat Producers Commission) three groups in Australia (Grains Council of Australia and two grower groups) and three groups in the U.S. (National Association of Wheat Growers, U.S. Wheat Associates and the North American Millers' Association).
- On May 14, Kevin Bender and Blair Rutter appeared before the House of Commons Standing Committee on Agriculture in Ottawa to give our views on the financial losses the CWB incurred in the 2008/09 crop year. We also spoke about the benefits that would flow from a voluntary CWB.
- On May 28, the Wheat Growers issued a press release commenting on the restricted delivery opportunity for durum wheat (74% contract acceptance at the time) and the price discrepancy between prices received by Canadian and U.S. durum growers. Durum prices at elevators in Montana have been, on average, \$1.20 per bushel higher than projected CWB returns to Canadian durum growers.
- On May 28, Kevin Bender attended a news conference in Lacombe where Minister Ritz announced the \$158 million Agri-Innovations program.
- On June 9, Kevin Bender appeared on Access TV in Edmonton for a panel discussion on the introduction of biotech wheat. Kevin spoke about the success of GM canola and how the application of GM technology in wheat could bring value to prairie farms.

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