

Improving Democracy at the CWB

By Cherilyn Jolly-Nagel, President of the Western Canadian Wheat Growers Association

The CWB election review panel will soon be making its recommendations to the federal government and one of the key issues will be whether the panel recommends a weighted ballot for electing directors to the CWB. The Western Canadian Wheat Growers Association supports the concept of a weighted ballot, because we believe those whose livelihood depends on the production and sale of grain should have a greater say in how the CWB is governed.

In this debate, you often hear people talk about “democracy” and how a weighted ballot would violate the one-person, one-vote principle. But how democratic is the current system?

We all know of cases where a single farming operation has multiple permit books. On the other hand, there are lots of examples where several families depend on a single farming operation and yet have only one permit book. Hutterite colonies are perhaps the most extreme example, but there are other cases where several brothers or sisters depend on a single farm operation. How democratic is it to give several votes to some farm operations and yet only one vote to others?

The fact is, we already have a weighted ballot system, but the weighting is not based on how much you grow, but rather it's based on how many permit books you have applied for and received.

Such a system can lead to all sorts of voter list abuse. For example, according to CWB records, there is a huge number of producers on the books of the CWB who deliver little or no wheat or barley to the CWB, but are still eligible to vote in CWB elections. For example, in the 2004/05 crop year, over 38% of eligible voters had no deliveries to the CWB. Two years earlier, over 65,000 “producers”, or about 58% of all eligible voters had CWB deliveries of 33.5 tonnes or less. Should these people be determining the future role of the CWB within the western Canadian grain industry?

I recognize that some of these 65,000 eligible voters are bona fide farmers. No doubt there are some farmers who had very little production because of drought, or perhaps they chose to market their grain in the off-Board market. But even taking those cases into account, the sheer magnitude of the number suggests the outcome of CWB elections is being significantly influenced by those who have very little economic stake in the business.

Let's be honest. If you are producing less than 100 tonnes of commodities per year, can you really be considered much more than a hobby farmer? Should hobby farmers have just as much say as those farmers who depend on grain farming for their livelihood? How democratic is that?

Rather than weighting ballots on the basis of the number of permit books, the Wheat Growers believe ballots should be weighted on the basis of grain production.

We are proposing that votes be weighted based on your average production over the past three years. If your average production is between 100 and 500 tonnes, you would be entitled to one ballot; if your average production is between 500 and 1,000 tonnes, you would get two ballots; between 1,000 and 1,500 tonnes, you would get three ballots, and so on.

We believe establishing a minimum threshold of 100 tonnes of production is reasonable, based on the assumption that anyone who grows less than an average of 100 tonnes of grain in three years

can't really be considered a commercial farmer, and must depend on some other source of income for their livelihood.

The Wheat Growers' proposed weighting system is similar to the model now used by Australian farmers to elect directors to their Wheat Board, except that in Australia they weight ballots on the basis of deliveries to the Board, not on the basis of production. In Canada however, a large amount of wheat and barley is marketed into the off-Board feed market. Prices received in the off-Board market are significantly influenced by the pricing and performance of the CWB, so the Wheat Growers think it makes more sense to weight ballots on the basis of production (of all crops), rather than just deliveries of CWB grain.

To make things easy, the Wheat Growers believe that average deliveries to the CWB over the past three years would be a good starting point for determining your initial voting entitlement. However, we strongly believe that every farmer should have an opportunity to increase their voting entitlement based on their actual level of production. Those farmers who wanted to ensure they received all the votes they are entitled to would be able to submit crop insurance, CAIS records or some other documentation to the election co-ordinator to substantiate their average production level.

What this approach would mean is that those who have the greatest stake (and who take the greatest interest) in CWB marketing would have an opportunity for a greater say in CWB elections. The Wheat Growers believe this is a far more just and defensible method of determining voting entitlement than a system that's simply based on how many permit books you've applied for and received.

Some critics have questioned how the Wheat Growers can support a weighted ballot when our own directors are elected on the basis of one member, one vote. Quite frankly, the answer is simple. Our Association is a policy advocacy group. We are a "political organization", we are not a commercial enterprise. What's more, membership in our Association is voluntary, and the members have freely chosen a one-person, one-vote model.

The CWB, on the other hand, is a commercial enterprise, or at least it ought to be. Accordingly, we believe control by its "owners" should be weighted to reflect each "shareholder's" economic interest, just as it is for publicly traded companies. A weighted ballot system based on production would help us move in that direction.

I realize there are some who want and view the CWB to be a "political organization" too. They see it as a vehicle to achieve social or political objectives. That might be tolerable if participation in the CWB was voluntary, because then those farmers who do not share its political views would be free to go elsewhere. However, because of the compulsory nature of the CWB, it should not be engaging in any political activity whatsoever. Instead, it should be acting solely as a commercial enterprise committed to achieving the best possible return for farmers.

The Wheat Growers are convinced that moving to a weighted ballot will improve the integrity of the CWB election process and lead to improved governance of the Board. In our view, it is one of several reforms needed to strengthen the CWB as a marketing tool for prairie farmers and help prepare it for the challenges that lie ahead.