

## Western Canadian Wheat Growers Association

### Commentary on the CWB press release dated August 8, 2008 entitled “Alberta report misuses data to reach false conclusions: CWB”

August 14, 2008

The Western Canadian Wheat Growers Association provides the following response to the CWB’s press release dated August 8, 2008 in which it criticizes the Informa report, “An Open Market for CWB Grain” which was commissioned by the Alberta government and released in late July.

- 1) *CWB statement: “An Alberta government report has used false assumptions and selective data to undermine the value of the CWB”.*

#### **Wheat Grower Response:**

Unlike previous studies that have claimed to demonstrate net benefits of the CWB monopoly, most of the analysis contained in the Informa report does not rely heavily on assumptions, but rather is based on the straightforward examination of publicly available data.

The study also does not rely on a single approach to evaluate the CWB’s performance. For example, in assessing the ability of the CWB to generate price premiums, the Informa study uses United Nations price information at various port destinations to conduct a selling price analysis. This analysis finds there is very little evidence that the CWB is able to influence market prices to capture higher values for Canadian farmers.

To verify this conclusion, the Informa study then examines prices of wheat, barley and durum received by farmers at North Dakota elevators over the past six crop years and compares these to the returns received by Saskatchewan farmers under the CWB. The U.S. data series is based on the “daily average basket price” at a number of locations. The Informa study indicates that 69 locations are currently reporting data for hard red spring wheat, 28 locations for durum, 27 locations for malt barley and 50 locations for feed barley. (Page 42).

The Wheat Growers acknowledge that such an approach necessarily “assumes” that the daily average basket price is representative of what U.S. farmers actually receive. However, if anything, these averages will likely understate actual returns, because when farmers go to sell their grain, they usually seek out the best bid on any given day – they often contact several buyers in an effort to seek out the best return. They don’t accept the “average” price of all buyers.

The Informa study does not stop there. To substantiate the elevator price comparison, the study then draws on USDA weighted average price data and finds that “with the exception of 2001/02 and some crops in the current marketing year, the CWB final

payments are consistently and significantly lower than the US [marketing year average] prices.” (Pages 47 and 48).

The Informa study also notes that in this comparison, the analysis uses a weighted average price for “the entire class of wheat, durum or barley, regardless of grade” to determine U.S. average prices and yet compares these to the returns for high quality grades in Canada (i.e. 1 CWRS 13.5% spring wheat, 1 CWAD 11.5% durum wheat, Standard Select 2-row and 6 row malting barley and 1 CW feed barley). Despite giving the CWB this advantage, the U.S. returns still come out ahead. (Page 48).

So when the CWB accuses the Informa study of using “sweeping assumptions” and “selective data”, this is no more than empty rhetoric. Yes, the Informa study “selects” data from a number of different sources (including United Nations, North Dakota elevators, USDA and Quorum Corporation), however this only serves to strengthen the findings, not weaken them. Also, where assumptions have been made, the benefit of the doubt has often been given to the CWB.

### ***Weighted versus simple average prices***

One of the more revealing findings of the Informa study is that the USDA data shows that there is very little difference between weighted average prices and simple average prices. For example, over the past 8 years, the price difference is only 5 cents per bushel for spring wheat, 8 cents for durum, 2 cents for malting barley and 6 cents for feed barley (page 47). What this means is that in conducting price comparisons between Canada and the U.S., it generally matters little as to whether the U.S. price data is weighted according to sales volume or not.

### ***Net interest earnings***

The Informa results are actually flattering to the CWB because the authors of the study make no adjustment for the “net interest earnings” that are embedded in CWB returns. These interest earnings arise because of the Canadian government’s guarantee of CWB borrowings which allows it to borrow at below-market rates. Most of the CWB’s interest earnings relate to large receivables from various countries that arose more than two decades ago.

The Wheat Growers acknowledge that net interest earnings increase the final pool returns that are distributed to farmers and that this can be construed as a benefit of the financial backing the CWB receives from the Canadian government. For this reason, we can understand why Informa did not deduct these interest earnings in its comparative analysis. We note however that the existence of these interest earnings in the final pool returns has the effect of masking the CWB’s true marketing performance. The table below shows the extent to which net interest earnings have inflated CWB pool returns, on a per tonne basis, over the past six crop years.

**Net interest earnings  
CWB pool accounts  
Dollars per tonne**

Crop year	Pool account			
	Wheat	Durum	Designated Barley	Feed Barley
2006/07	\$1.44	\$0.93	\$1.17	\$2.73*
2005/06	2.14	1.31	0.91	2.70*
2004/05	2.95	1.97	1.05	4.97*
2003/04	3.22	2.79	0.84	6.98
2002/03	4.54	2.24	1.52	9.82
2001/02	5.23	3.68	0.92	14.68

*Source: Canadian Wheat Board annual reports*

\* The feed barley net interest earnings figure shown in the three most recent crop years reflects the average net interest earnings in pool A and pool B, weighted by volume. There was only one feed barley pool prior to the 2004/05 crop year.

Some observations on the above table:

- a) Net interest earnings have declined in recent years, primarily due to the repayment of outstanding long-term receivables by Russia and other countries. For example, the amount of long-term receivables due from foreign customers has declined from \$6.9 billion as at July 31, 2002 to \$1.3 billion as at July 31, 2007. What this means is that interest earnings that have bolstered CWB pool account returns in the past (and masked its true marketing performance) will be much lower going forward.
- b) Not all of the net interest earnings relate to the long-term receivables due from foreign customers. Interest earnings may also arise due to borrowings on operations. The CWB annual report does not provide a breakdown of how much interest earnings relates to long-term receivables versus normal operations.
- c) The above table reflects only net interest earnings that are embedded in the final returns of the CWB pool accounts. It excludes amounts that were transferred to the contingency fund. For example, in the 2002/03 crop year, the feed barley pool had net interest earnings of \$5.5 million or \$137.70 per tonne. Of this amount, \$5.1 million (\$127.89 per tonne) was transferred to the contingency fund, leaving \$390,000 (\$9.82 per tonne) available for distribution from the pool.
- d) In its U.S. elevator comparison, the Informa analysis suggests that U.S. farmers received only \$2.85 per tonne more for their feed barley, on average, than the returns realized by Canadian farmers. [By comparison, U.S. farmers received \$15.97 per tonne more for spring wheat, \$12.29 for high quality durum, and

\$21.11 for six-row malting barley]. Part of the reason for the CWB's comparatively better performance on feed barley can be explained by the relatively high net interest earnings embedded in the CWB's final returns for feed barley, particularly in the first three crop years of the analysis.

### ***CWB pool account deficit***

It should also be noted that Informa's analysis makes no adjustment for the deficit that the CWB incurred in the wheat pool account in the 2002/03 crop year. In that year, the federal government covered the CWB's deficit of \$85 million, amounting to \$9.86 per tonne. Again, the Wheat Growers acknowledge that this payment represents a "benefit" of the single desk (or rather, a benefit of the government guarantee of initial payments), although we assert that to obtain a true assessment of the CWB's marketing performance, adjustments should be made to CWB returns to exclude the effect of net interest earnings and any pool account deficits.

- 2) ***CWB statement: The Informa report calculates "that the CWB earned significant premiums (prices above market values) of up to \$33 per tonne in 10 of 11 markets studied, but then uses a number of incorrect assumptions to discount them."***

### ***Wheat Grower response:***

The Informa study examined 11 markets in which CWB exports represented a significant share (i.e. greater than 25%) of the country's total wheat supplies or where the CWB exported large volumes. The analysis found that the CWB selling price was indeed higher in 10 of these 11 markets, but this was mainly due to the fact that the CWB was selling a higher grade of wheat into these markets than other exporters. When Informa adjusted for these quality differences, it found that the CWB earned a premium in only one of the eleven markets, namely Japan. The Informa study concluded that "only one market exhibits a potential price premium but it is insufficient to compensate for the lower prices [obtained] in other markets." (Page 35).

The CWB claims the Informa study uses a "number" of incorrect assumptions to discount the apparent CWB premiums. It is not clear what assumptions the CWB believes are not correct. The Informa study carefully walks the reader through its analysis for one market (Colombia) to demonstrate how it conducted its analysis. Informa also states that it adjusted for the quality differences based on "the spreads in US cash wheat prices at the US Gulf and Pacific Northwest (PNW) regions, depending on the export market." (Page 32). The CWB fails to demonstrate how this is not a valid basis to account for the differing qualities of wheat sold by various exporters into differing markets.

- 3) ***CWB statement: “The report wrongly assumes that all wheat is the same and that overall market share is what determines the CWB’s ability to exercise market power.”***

***Wheat Grower response:***

The CWB’s claim that the report “assumes that all wheat is the same” is a baseless accusation. For example, Informa’s selling price analysis specifically adjusts the data to account for quality differences. As Informa states: “It is critical however, to recognize that the quality of wheat plays a large role in the price paid by an importing country.” (Page 30). Throughout the report, Informa takes great care to account for quality differences and, as noted in the weighted average analysis above, gives the CWB the benefit of the doubt in those cases where direct comparisons cannot be made.

The report doesn’t “assume overall market share is what determines the CWB’s ability to exercise market power”. Instead Informa states the following:

*While market share is not, in itself, a sufficient measure to declare that an organization holds market power, it is certainly an important prerequisite. In order to have a significant influence on prices, a seller must have sufficient market share in order to exert market power over buyers. Generally, economists regard that 25% of a particular market is deemed to be a minimum threshold share in order to exert market power.”* (Page 11).

Informa notes the CWB continues to claim that it “is the largest single seller of wheat and barley in the world, holding more than 20 per cent of the international market.” (Page 11). Informa shows that Canada’s share of global wheat exports has averaged 14.5 percent over the past decade and has not exceeded 20% since the 1994/95 crop year. In barley, Canada’s share of global barley exports has averaged 9.3 percent over the past decade and has not exceeded 20% since the 1990/91 crop year. (Pages 13 and 15).

If anyone makes erroneous and baseless claims, it’s the CWB. One would think that at least one of the 450 employees at the CWB would have noticed they haven’t enjoyed a market share over 20% in either wheat or barley in more than a dozen years.

In any event, the Informa study does identify 11 export markets in which Canada’s share of the country’s wheat imports has exceeded 25% over the past five years. It concludes that “only one [Ecuador] would potentially exhibit characteristics suggesting that Canada has sufficient market power to leverage prices.” (Page 20). Informa’s selling price analysis subsequently confirms that the CWB is not able to exert market power and obtain premium prices in any wheat markets, with the possible exception of Japan.

For durum, the Informa study identifies 13 export markets in which Canada’s share of the durum imports exceeded 25% over the past five years. Of these, Informa states that “market influence by the CWB could potentially be exercised in six.” (Page 21). Its

subsequent selling price analysis confirms that Peru is the only market (for which data is available) “in which Canadian durum appears to consistently achieve a higher CIF price. In Algeria, Morocco and Venezuela, Canadian durum is not the premium-priced product with any consistency or not at all.” (Page 37).

With respect to barley, Informa states that “Canada holds more than the minimum 25% threshold of total imports in only four countries. As a share of the total supply (production plus imports) of barley in those markets however, Canada does not account for over 25% in any of the markets. Variability is relatively low in two of the four markets. These measures indicate that Canada does not hold sufficient market power in any of the 20 markets to which it has exported barley over the five year period under examination.” (Page 21).

- 4) ***CWB statement: “Because of its flawed premise, the report selectively focuses on only 11 of the 60 to 70 actual wheat markets the CWB sells into each year – rejecting important, high-value markets like Canada, the U.S. and Europe.”***

**Wheat Grower response:**

In the case of the U.S., Informa notes that Canada held a 33.6% share of its wheat imports over the five year period examined. However, it did not select it for specific analysis as Canada’s share of total supplies in the market were less than 1%, far less than the threshold needed to exert market influence. (Page 20).

The CWB is correct in noting that Informa only examined export markets and did not consider the CWB’s domestic sales in its selling pricing analysis. However, the CWB has previously indicated that its domestic pricing policy for wheat sold to Canadian mills is based on Minneapolis milling values, with an adjustment for freight depending on the location of the mill. In effect, Canadian millers buy wheat from the CWB on a North American pricing basis so that they are not at a competitive disadvantage to U.S. or foreign millers. We are not aware of any change in this policy that would suggest the CWB extracts a price premium from Canadian millers.

With respect to Europe, Canada’s share of imports is below the 25% threshold, so it is not included in the Informa analysis with respect to wheat. It is considered in the durum analysis, although in this case Canada’s share of total supplies in Europe is 7.8%, which again is a threshold that is considered to be far below the level necessary to exert market influence. (Page 21).

Informa does however comment on why Canada’s selling prices can be higher in certain markets:

*“Even though the CWB does not exhibit sufficient “market power” characteristics to extract premiums, Canadian wheat and barley may be higher priced in certain markets. The reasons for these premium prices however have little, if anything, to do with single-desk selling. The CWB*

*states in the most recent annual report that the `single desk adds value for western Canadian farmers by enabling them to capitalize on Canada's reputation for grain quality, consistency, food safety, customer service and reliability.'*

*Several of the strengths indicated in this quote are not dependent on a single-desk selling approach. In Canada, the responsibility for maintaining grain quality and consistency in export shipments rests with the Canadian Grain Commission, not the CWB. Food safety is handled by the Canadian Food Inspection Agency. Customer service and reliability are a key requirement for any successful trading organization, whether public or private.” (Page 22).*

The Wheat Growers agree with the gist of Informa's assertion here, although we maintain that Informa has not fully and properly acknowledged the role played by western Canadian farmers and grain handlers in securing Canada's reputation for delivering a high quality, consistent and safe product to customers. We note for example that Canada has a strong reputation for delivering consistent, safe and high quality canola, oats and other crops with no intervention by the CWB and with only nominal roles played by the Canadian Grain Commission and the CFIA.

- 5) ***CWB statement: “The report also blatantly misuses grain handling and transportation data published by the respected Quorum Corporation, which produces the quarterly Grain Monitor report under contract to the federal government. Quorum emphasizes in its reports that efficiency comparisons cannot be made between wheat and canola based on its calculations of export basis and producer netback for each crop. Yet that is precisely what Informa has done.”***

#### **Wheat Grower response:**

Informa does indeed draw on the Quorum report to compare the “export basis” for wheat, durum, canola and peas. The Wheat Growers have scrutinized the latest report from the Grain Monitor and while Quorum does note that the methodologies for calculating the export basis and producer netback differ for CWB crops and non-board crops, it does not (contrary to the CWB's claim) “emphasize” that efficiency comparisons cannot be made between wheat and canola based on its calculations. It merely encourages the reader “to become familiar with this material before attempting to draw any specific conclusions from the information presented in the discussion that follows”.<sup>1</sup>

If the CWB believes the Grain Monitor has erred or that Informa has wrongly taken data from the report, then the CWB should document its concerns. Furthermore, the Grain Monitor has been calculating the export basis and producer netback since 2002. If the

---

<sup>1</sup> Annual Report of the Monitor – Canadian Grain Handling and Transportation System, 2006-07 Crop Year, page 88.

CWB believes there are major deficiencies in the way these are calculated, why hasn't it raised these concerns before now?

Unless the CWB can provide concrete evidence that Informa "blatantly misuses" the Quorum report data, the CWB's accusation is nothing more than an unsubstantiated smear.

- 6) ***CWB Statement: "Examples of other flaws include: Lack of acknowledgement that the CWB's dominant position in the durum market supports the overall price structure".***

**Wheat Grower response:**

The mere fact that an entity may hold a dominant position does not necessarily increase the overall price structure. If the CWB holds durum supplies off the world market, then yes, that temporarily supports the overall price structure. However, once those supplies are released onto the market, it depresses the overall price structure.

Also, if the CWB does periodically withhold supplies from the market, it means that Canadian farmers are forced to hold on to supplies that they might otherwise wish to sell. The Wheat Growers believe that each individual farmer should be free to determine the timing of their sales, including the contracting of any supplies to the CWB in a voluntary marketplace. In that way, it is the individual farmer deciding what is in his best interest (including whether to carry inventory from year-to-year), instead of the CWB presuming to know what is in the best interests of all durum growers.

- 7) ***CWB Statement: "American wheat has an intrinsic price advantage due to factors such as the dramatically lower proportion exported from the U.S. (40 per cent compared to 80 per cent in Canada.) This means less U.S. grain is sold into diverse markets outside North America where prices tend to be lower and transportation logistics more expensive."***

**Wheat Grower response:**

Our first reaction to this rather incredible admission is: If the U.S. market does indeed provide a higher return, then why doesn't the CWB sell more into this market, rather than offshore markets "where prices tend to be lower and transportation logistics more expensive"? Shouldn't the CWB be seeking out the best paying markets? That is what sellers do in an open market.

If the CWB does indeed sell less grain into the U.S. market than the market demands and instead sells more grain into distant offshore markets, then this goes a long way to explaining why Informa found that CWB returns are so much lower than the returns obtained by U.S. farmers for grain of identical quality.

The Wheat Growers also note the CWB is wrong in asserting that Canada exports 80 per cent of its wheat production. Over the past 10 years (1998/99 to 2007/08), Canada has produced an annual average of 23.4 million tonnes of which 15.7 million has been exported as wheat or wheat products.<sup>2</sup> This works out to an export ratio of 67%, not 80%.

The CWB's claim that U.S. exports are about 40 per cent of production is also wrong. Over the past 10 years, U.S. wheat production has averaged 57.2 million tonnes and its exports have averaged 28.2 million tonnes.<sup>3</sup> This works out to an export ratio of 49%, not 40%.

It would appear that in its zeal to discredit the Informa study, the CWB does not feel compelled to be bound by the constraints of truth.

We also note that in its comparison, the CWB is guilty of "assuming that all wheat is the same", an accusation it levels at Informa. We note, for example that the U.S. exports a higher percentage of its spring wheat than other types of wheat. In the past 10 years (1999 to 2008), U.S. hard red spring wheat exports averaged 7.1 million tonnes, which represents 56% of their average hard red spring wheat production of 12.6 million tonnes.<sup>4</sup>

Thus, the proportion of hard red spring wheat production that is exported from the U.S. (56%) is not far below the proportion of wheat production exported from Canada (67%). Given that U.S. hard red spring wheat represents the main competing wheat for the CWB in many markets, it seems rather ridiculous for the CWB to claim that American wheat "has an intrinsic price advantage" because a "dramatically lower" proportion of it is exported. In our view, 11 percentage points does not constitute a dramatic difference.

It's worth noting too that overall U.S. wheat exports are 80% greater than Canadian wheat exports (i.e. an average of 28.2 million tonnes compared to 15.7 million tonnes). If offshore markets truly are lower-priced, why does this not affect the U.S. to the same extent as the CWB? Are U.S. exporters really that much more aggressive, successfully capturing the best return markets, while leaving the scraps to the CWB? It would seem so.

- 8) CWB statement: Handling system costs are counted twice in the comparison between U.S. and Canadian returns for wheat and durum. Farmgate values that already account for system costs are used, then a canola-versus-wheat comparison is added that also accounts for those same costs.**

---

<sup>2</sup> Agriculture and Agri-Food Canada, Market Analysis Division, Historical Data, Canada: All Wheat Supply and Disposition. [www.agr.gc.ca/pol/mad-dam/index\\_e.php?s1=pubs&s2=go-co&page=go-co-hist](http://www.agr.gc.ca/pol/mad-dam/index_e.php?s1=pubs&s2=go-co&page=go-co-hist)

<sup>3</sup> USDA Economic Research Service, Wheat Data: Yearbook tables (1999 to 2008). [www.ers.usda.gov/Data/Wheat/YBtable04.asp](http://www.ers.usda.gov/Data/Wheat/YBtable04.asp)

<sup>4</sup> USDA Economic Research Service, Wheat Data: Yearbook tables (1998/99 to 2007/08). <http://www.ers.usda.gov/Data/Wheat/Yearbook/WheatYearbookTable08.pdf>

## **Wheat Grower response:**

The CWB finally stumbles upon an argument that has some merit. In Table 4.4, Informa takes the higher system costs for wheat and durum (as reflected in the Quorum report) and adds these to its high and low estimates of the price differentials, as part of its overall calculations of the total costs of the CWB monopoly. (Page 82).

The essence of the CWB's argument is that part of the reason the U.S. farmer gets more for his wheat and durum than Canadian farmers (i.e. the reason the price differential is so high) is because Canada has higher system costs for wheat and durum. Therefore it is wrong to add these higher costs to the price differentials as part of determining the overall cost of the monopoly.

If the price differentials used in the table were based solely on the selling price analysis (i.e. the CIF analysis), then it would be appropriate to add these differences to the system costs. In effect, the port price difference plus the system cost difference should approximate the difference between U.S. and Canadian prices.

It appears however that Informa only used the CIF analysis for three of its price differential estimates (i.e. the low estimate for spring wheat and the high estimates for feed and malting barley), and the remaining five estimates are based on the farmgate price differential analysis. So it would appear that there is an element of double counting in at least a portion of Informa's calculations.

We will leave it to Informa to clarify the extent to which this may be the case, although we suspect any discrepancies are not material enough to invalidate the principal findings of the report. The farmgate price differentials alone represent an annual cost to Canadian farmers of more than \$280 million (based on the average price differences shown in table 2.9 and average CWB sale volumes).

It's worth noting too that in its analysis, Informa found that for canola, Canadian farmers received higher returns than U.S. farmers in eight of the past nine years. The Informa study does not speculate as to why this may be the case, however we suspect it is due primarily to Canada's comparatively lower freight rates.

The CWB should also benefit from these comparatively lower freight rates. If, for example, the CWB's marketing performance was on par with the U.S., one would expect Canadian farmgate values for wheat and durum to be higher than what U.S. farmers receive, by an amount that is roughly equivalent to our advantage in freight rates (as is the case with canola). However, that is not the case. In effect, the CWB squanders the Canadian freight advantage and more.

Also, as we noted earlier, Informa did not adjust CWB returns to account for the CWB's net interest earnings or the CWB deficit incurred in the 2002/03 crop year. These omissions mask the CWB's true marketing performance. Moreover, the Informa study discusses, but does not quantify, additional costs the CWB imposes on farmers related to

cashflow constraints, delivery restrictions and extra storage. If all these factors are considered, the value of ending the CWB monopoly may even be greater than what Informa calculates.

- 9) ***CWB statement: “The study also fails to account for the important role played by the CWB in keeping regulated rail freight rates in Western Canada lower than American rates”.***

**Wheat Grower response:**

The regulated freight rate structure (including the revenue cap) is in place under an Act of Parliament and applies to CWB and non-CWB crops alike. It’s not clear what special role the CWB plays in keeping this legislation in place. Several commodity groups and farm organizations, including the Wheat Growers, can just as easily claim that they play an important role in maintaining our regulated rates.

The CWB has also been known to backtrack wheat from Montreal and Churchill to meet sales commitments in Vancouver, so any claims the CWB makes with respect to playing an important role in keeping freight costs low for farmers ought to be viewed with a healthy degree of skepticism.

Furthermore, if the CWB is successful in keeping freight rates lower, than why isn’t this reflected in cross-border price comparisons on wheat, durum and barley (as is the case for canola)? If the CWB’s marketing performance was half as good as it claimed, then you would see U.S. farmers champing at the bit to deliver their wheat and barley to Canadian elevators. U.S. farmers often deliver canola north of the border, and yet we see no such similar pressure for them to deliver milling quality wheat or malting quality barley in Canada. Given the CWB’s historical marketing performance, it’s no small wonder.

- 10) **CWB statement: “Based on all of the above, the CWB completely refutes a key finding of the report that an open market would generate significantly more revenue for Prairie farmers than the single-desk system. ‘It is ironic that this false conclusion is being circulated in a year when the CWB marketing approach has delivered extraordinary returns to farmers,’ White said. ‘We’ve conservatively pegged that benefit at \$560 million for 2007-08.’”**

**Wheat Grower response:**

The Informa study stands up well to the largely groundless accusations being leveled against it by the CWB. Even in the one instance where the CWB argument may have merit, the CWB’s own admission that regulated freight rates in Canada are lower than in the U.S. only serves to strengthen Informa’s argument. One would expect this freight rate differential to work in the CWB’s favour (i.e. Canadian farmgate returns should be higher than U.S. farmgate returns), and yet Informa’s findings demonstrate that the CWB squanders this freight advantage.

With respect to the CWB's claim that it has generated a net benefit of \$560 million for prairie farmers in this crop year, the Wheat Growers asked the CWB to provide us with the data and calculations it used to arrive at that figure. This information has now been provided to us (August 13). Once we have had an opportunity to review this information, we will be in a position to comment on the methodology the CWB used to derive its claim, and the merits of its argument.

## **Conclusion**

Given the baseless accusations and factual errors in the CWB press release, the Wheat Growers can only conclude that it was hastily crafted in response to media stories that recognized the significance and credibility of Informa's findings.

It is disappointing that the CWB would engage in such "drive-by" smear tactics and not give the Informa report the proper consideration it deserves. In a report that is as extensive and comprehensive as Informa's, there are invariably points of debate. While there may be reason to quibble with certain approaches or findings, nothing the CWB has demonstrated thus far undermines the key finding of the report – that there's no evidence the CWB monopoly provides western Canadian farmers with higher returns. Instead, the evidence points strongly in the other direction

Based on the concerns the CWB has raised to date, there are certainly no deficiencies in the Informa report that would allow the Board to castigate the report in the manner that it does. In our view, the CWB's diatribe only serves to further undermine its credibility and is not in keeping with the professionalism that farmers expect and deserve from their CWB.

The Wheat Growers will continue to engage in constructive commentary and debate as we pursue the goal of marketing freedom for western Canadian farmers.

**Western Canadian Wheat Growers Association**  
**August 14, 2008**