



Western Canadian Wheat Growers

Opportunities with Market Choice in the Canadian wheat market

Presentation by:
Cherilyn Jolly-Nagel
President
February 8, 2007
Puerto Vallarta, Mexico



Western Canadian Wheat Growers

Who we Are:

- **A leading voluntary farm policy advocacy organization**
- **Providing innovative farm policy solutions for 37 years**
- **Governed by an 11 member board of farmer directors from across western Canada**



Western Canadian Wheat Growers

Outline of Presentation:

- **Overview of Canadian grain industry**
- **Role of the Canadian Wheat Board and the prospects for change**
- **Potential opportunities for farmers and the trade in the Canadian wheat market**



Canadian Grain Production

3 year average, 2004 to 2006

	Tonnes (million)	Bushels (million)
Wheat (excl. durum)	21.7	799
Durum	4.9	180
Barley	11.9	546
Corn	9.2	362
Canola	8.8	389
Oats	3.6	232
Soybeans	3.2	119
Peas	3.1	113

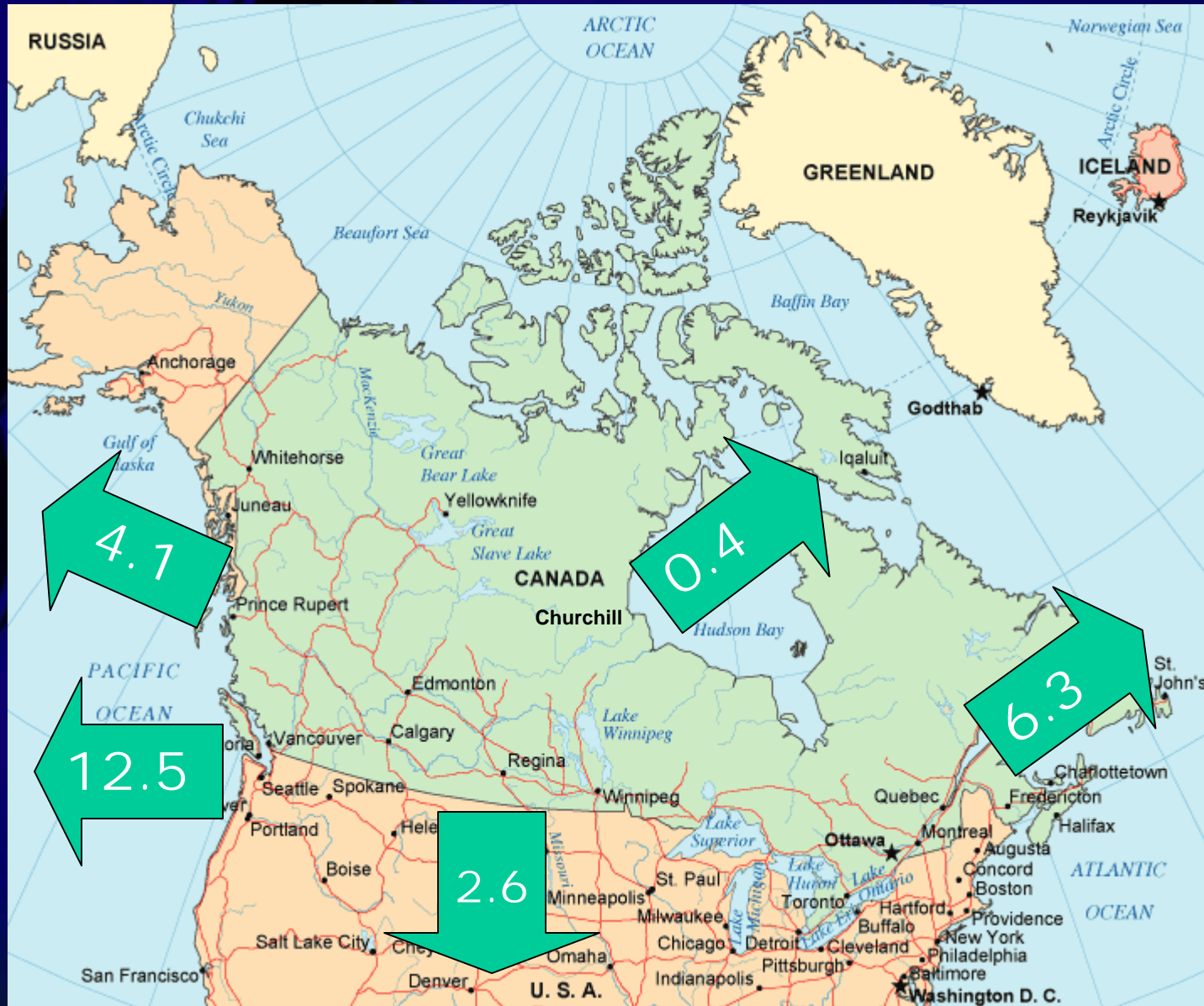


Canadian Grain Exports

3 year average, 2004 to 2006

	Tonnes (million)	% of production
Wheat (excl. durum)	12.8	59%
Durum	3.9	80
Barley	2.3	20
Corn	(2.0)	(22)
Canola	4.7	53
Oats	1.8	51
Soybeans	1.0	31
Peas	2.1	69

Grain Exports by Port (mmT)





Grain exports by port

2005/06

	Tonnes (million)	%
Vancouver	12.5	48%
Prince Rupert	<u>4.1</u>	<u>16%</u>
West coast	16.6	64%
Seaway	6.3	24%
Direct to U.S.	2.6	10%
Churchill	0.4	<2%



Grain and grain product trade flows: Canadian net exports to the U.S.

(Cdn \$ million)	<u>Average 1989-91</u>	<u>Average 2003-05</u>
Wheat	31	136*
Durum	48	55
Flour	4	68
Mixes, Doughs, Cereals, Bakery	(4)	679
Oats	73	198
Barley	51	35
Malt	6	65

* Average was \$296 million in 3 years prior to U.S. tariff on spring wheat.

Grain and grain product trade flows: Canadian net exports to the U.S. (cont.d)

(Cdn \$ million)	<u>Average 1989-91</u>	<u>Average 2003-05</u>
Canola:		
Seed	7	56
Oil	90	414
Meal	<u>51</u>	<u>252</u>
Total Canola	148	722
Corn	(70)	(318)
Animal Feed	n/a	(250)
Soybeans	(29)	(130)
Soybean meal	(162)	(314)

Source: Grains & Oilseeds Statistics, AAFC



Industry Players

Country Elevator capacity – Western Canada, Dec. / 06

	Tonnes (000's)	% of Total
Agricore United	1,262	24.3
Sask. Wheat Pool	1,132	21.8
Pioneer (JRI)	627	12.1
Cargill	503	9.7
Louis Dreyfus	345	6.7
Paterson Grain	332	6.4
P & H	300	5.8
38 independent co.s	685	13.2



Canadian Wheat Board

- Formed in 1935, gained monopoly in 1943
- Control over wheat & barley produced in western Canada that is exported or for domestic human consumption
 - “Mixed” enterprise
 - Shared governance
 - Government guarantees

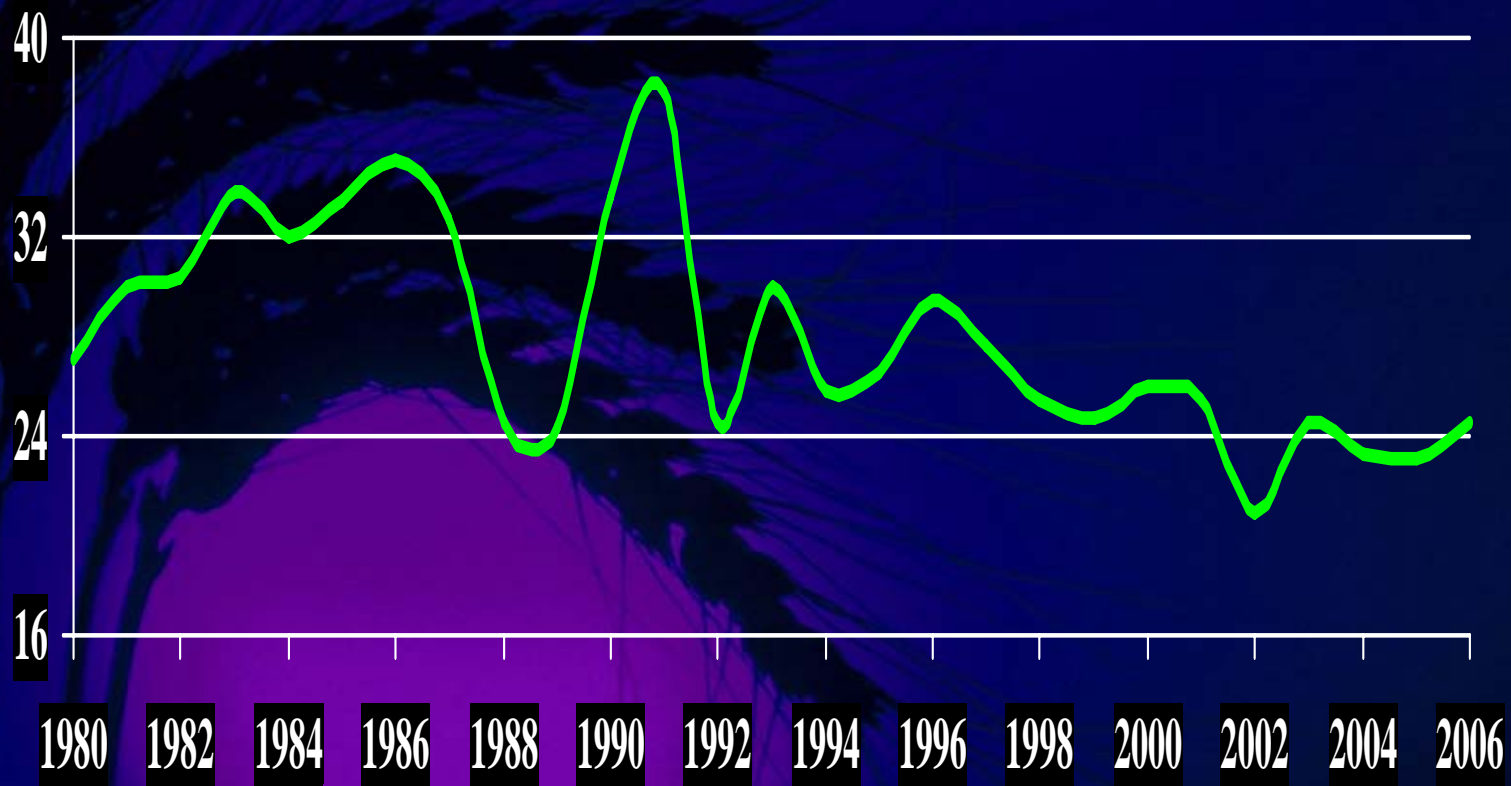


Time for Change...

Reasons for wanting choice

- It's about the money!
- It's about property rights and economic freedom
- It's about creating opportunities to add value

Wheat acreage, Western Canada, 1980 – 2006 (million acres)



Source: Canada Grains Council, harvested acreage



Key events

- Conservative gov't elected Jan / 06
- Task Force report
- Dismissal of CEO
- Barley plebiscite
- Wheat plebiscite



Possible market opportunities

- More value-added processing
- Likely more wheat and malt barley exported to U.S.
- Possible shipment of U.S. wheat through Canadian ports
- Growing prosperity for western Canadian farmers – a great place to farm and a great place to invest



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