



WESTERN BARLEY GROWERS ASSOCIATION

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The future looks bright without the single desk

The Canadian Wheat Board, at the direction of its board of directors, has been spreading fear among farmers about what will happen when the single desk control over wheat and barley is gone. In their narrow view of the world, the sky will fall without the CWB. They want us all to join in their fear that the CWB will not survive without the single desk. This is a last ditch effort to convince farmers that they are right and the federal government is wrong.

Well, I for one don't buy into their fear at all. In fact, I am extremely excited about what is about to emerge in Western Canada, thanks to the Harper government.

I see a future where producers will be able to manage their cash flow needs and delivery opportunities in a way that fits their individual farm's needs. Farmers will have prices transparency which will allow them to make better decisions to manage their farm businesses. This will lead to more successful farmers.

I see a future for young farmers. Currently, we have an aging farming population with few younger operators willing to invest in developing a farm business. With a commercial market place, young farmers will have the tools to manage their risk and create wealth, for themselves and for their communities. We will finally have an environment that will attract young people back to the farm.

I see a future for investment in Western Canadian agriculture. I'm told that there is already a steady stream of inquiries from a wide variety of firms wanting to invest in a commercial market in Western Canada, once the single desk is gone. Under this new commercial system I see job creation and the revitalization of rural communities.

I see a future where competition for farmers' grain will drive marketing costs lower. Canadian maltsters will need to sharpen their pencils as US maltsters will be buying from us in direct competition. Canadian millers will have the opportunity to develop niche contracting programs to satisfy needs for specific traits; the Warburtons program will no longer be unique in Western Canada. Minor classes of wheat will find new, robust markets that were ignored under the single desk because they were too small.

I see a future where farm entrepreneurs establish and grow significant agri-businesses, vertically integrating in a way that only makes sense from the farm. Imagine, growing wheat and selling bread!

We do not have to look very far to see what an open and commercial market place can do for the whole grains industry. Over the last decade or more, we have seen a constant increase in canola crushing capacity with a steady growth in acreage to support it. And we likely haven't seen an end to it; the Canola Council of Canada has a goal of reaching 15 million acres by 2015 and the markets to support it; I think it will happen. The wheat and barley sectors will learn from this model; by everyone working together – farmers, seed companies, grain handlers, and processors – a great deal more will be accomplished than we ever did under the current single desk system.

The fear mongers will have you think that when Australia closed down its single desk, it was only a short time before farmers lost the AWB as it was sold to Agrium and Cargill. What they don't tell you is that it was farmers who owned it and chose to sell it. Nor do they tell you that there is now more wheat acres, more wheat buyers and more wheat pools offered in Australia than ever before. The commercial system is thriving down under; I want that for our industry too.

I see a pretty darn good future without the single desk. But this future also includes a voluntary wheat board. If the current CWB board puts their minds to it, I believe they can establish a world class, farmer-run organization dedicated to assisting farmers to get the most out of the market. They will need to change the way they currently think about the organization, and I recognize that can be a challenge. But the challenge is theirs and we can only hope that they are up to the task. Running a meaningless survey they want to call a plebiscite isn't going to cut it.

It is time the CWB board showed leadership and moved forward with a plan to operate under a new structure. This is not about fewer options for producers; it is about the creation of new markets and the expansion of choices for farmers. It's about wealth creation.

It is time to move our industry into the twenty first century.

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