

Plan for open market, CWB told

By Adrian Ewins
Saskatoon newsroom

It's not the federal government's job to figure out how the Canadian Wheat Board can do business in an open market. That's up to the board to sort out for itself.

That was the message delivered by CWB minister Chuck Strahl last week, a message that echoed the recommendations of the government's task force.

"The CWB are the best able to develop business plans to talk about transitioning from a monopoly situation to marketing choice," he told reporters Nov. 3.

He said the board understands the issues better than anyone, it has access to detailed marketing and operational information not available to others, and it knows the questions that have to be answered.

"For example on barley, they should start now to plan for what would happen if we move to marketing choice for barley next year," he said. "They need to do the business planning and my encouragement to them is to do that."

The minister was speaking to reporters in Winnipeg after a speech to the provincial chamber of commerce. Earlier in the day he met with senior CWB officials and delivered the same message.

The government will hold a plebiscite in January asking farmers whether they want to retain the single desk for barley or move to an open market.

CWB chair Ken Ritter said the agen-

cy's board of directors will discuss the issue of preparing a business plan, probably at its next board meeting in November.

"Given the fact that there is a plebiscite, certainly it's on our to-do list," he said. "It's always prudent to look at where our risks are and how to deal with them."

However, he added the board remains convinced that a CWB without single desk powers would fail in an open market.

No details

While the federal task force report on the CWB discussed how the board could make the transition to an open market in broad terms, it didn't present a business plan for what it dubbed CWB II.

In fact, one of its recommendations was that the CWB "prepare a business plan as soon as practically possible consistent with providing freedom of marketing choice."

CWB director Ian McCreary said that's not surprising.

"The reason they didn't come up with a technical business case for CWB II is that there isn't one," he said.

Ritter agreed, saying task force's proposals are out of touch with reality. The board's written response to the report said the report's authors "cannot be in the real world" by suggesting that an under-capitalized, asset-less grain marketing co-operative could successfully compete against giant multinationals.

"It is poor and irresponsible policy

to strip an internationally recognized, farmer-controlled organization of its market power, propose to replace it with some minor entity that is intended to take on multinationals, but with severe structural and capital disadvantages, and then tell farmers it is their own fault when it fails," said the board.

The task force report received a positive response from the Western Canadian Wheat Growers Association, which said CWB II would receive significant "concessions," including government guarantees on borrowing and retention of assets worth \$110 million, which will enable it to compete with existing grain companies.

"While these concessions may appear excessive to some, our objective has been to ensure the CWB remains a viable and competitive choice for farmers," said association president Cheryl Nolly-Nagel.

The association's only criticism of the report was that it didn't recommend implementation of an open market for both wheat and barley on Aug. 1, 2007. The report set target dates of Feb. 1, 2008 for barley and Aug. 1, 2008 for wheat.

The National Farmers Union said the report indicates the government's agenda is take total control of the CWB by replacing elected directors and the chief executive officer with appointees who will follow the government's orders.

By Barry Wilson
Ottawa bureau

The Conservative government's session with ending the Canadian Wheat Board's single desk selling monopoly is not a precedent for dismantling supply management's single desk monopolies, federal agriculture minister Chuck Strahl insisted last week.

During an Oct. 31 appearance before the House of Commons agriculture committee, Strahl promoted the government's determination to dismantle the CWB monopoly but asserted it has nothing to do with dairy and poultry marketing boards.

Nova Scotia Liberal Robert Thibault said farmers in his area are uneasy despite the assurances.

Prime minister Stephen Harper has a record of opposition to marketing boards that set prices based on production costs, the Liberal MP said. As head of the right wing National Citizens' Coalition before he became Conservative leader, Harper was contemptuous of price-setting marketing boards.

Strahl insisted Harper has changed his stripes. Support for supply management was one of the Conservative party's three main agricultural commitments during the last election campaign.

"We believe that the system has worked for Canada," he said.

"We have supported it. The prime minister has supported it both on the

stump during the campaign and ever since. I can tell you he does it publicly, privately, and I did it in Geneva. I've done it at every possible occasion. We believe that the supply managed system is here to stay and we want to make sure it's a healthy and viable system moving forward."

Thibault said he was satisfied. "I'm very pleased to hear that."

Later, Ontario Conservative MP Larry Miller suggested the difference between the wheat board and supply management is measured in farmer support.

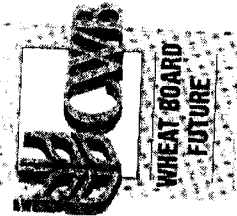
"The wheat selling mechanism through the wheat board is very split; it's divisive across the country, whether it's 55-45 or 50-50, whatever, very divisive, where it's 100 percent united in the supply managed sectors."

Hard sell

Convincing supply management producers that an end to the wheat board monopoly is not a precursor to an end to other farmer monopoly marketing boards remains a political problem for the Conservatives.

In the House of Commons, all opposition parties are warning farmers in Ontario, Quebec and Atlantic Canada that an end to the CWB monopoly is a way station to the end of all farmer marketing monopolies.

Conservatives insist there is no comparison because they see supply management as a voluntary system, although for farmers who are part of the dairy, poultry or egg business, it is compulsory.



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