



The Canadian Wheat Board
La Commission canadienne du blé



Adrian C. Measner
President and Chief Executive Officer
Président-directeur général

July 31, 2006

The Honourable Chuck Strahl, P.C., M.P.
Minister of Agriculture and Agri-Food and
Minister responsible for the Canadian Wheat Board
Agriculture and Agri-Food Canada
Sir John Carling Building
930 Carling Avenue
Ottawa, ON K1A 0C5

via facsimile: (613) 995-5621

Dear Minister Strahl:

Re: Canadian Wheat Board 2006-07 Corporate Plan

Thank you for your letter of June 30, 2006 responding to my letter of June 2, 2006 with which I submitted the 2006-07 Corporate Plan for approval.

Section 19(2) of the *Canadian Wheat Board Act* (the *Act*) requires that the Corporate Plan contain any information that you consider appropriate. Hence, the board of directors has agreed to amend the 2006-07 Corporate Plan to include the information you enclosed. This enclosure included a request to "prepare a proposal on how the CWB and the CWB Act should be modified to reflect the Government's strategic policy direction for the CWB." It is our interpretation that section 19(2) does not expressly provide for the Minister to direct the CWB to undertake specific work; however, we feel it would be worthwhile for you to have a clear understanding of what we see to be the implications of the dual-market approach that is underpinning the Government's strategic policy direction. Accordingly, the board of directors has agreed to amend the Corporate Plan to prepare the proposal referred to in the enclosure which accompanied your letter.

Regrettably, we are unable to accept your recommendation to remove reference to either Harvesting Opportunity or the single desk. The Corporate Plan is, among other things, an expression by the board of directors of how the CWB intends to achieve its statutory mandate. The board of directors is obliged under the *Act* to set the strategic direction for the corporation and the Plan must therefore also reflect that direction. The board has determined that, as a part of performing its duties under the *Act*, it must take steps to ensure that its stakeholders, particularly the farming community, are fully informed about the importance of the CWB and how the CWB can be modified to create additional opportunities and value for farmers. That is the objective of the Harvesting Opportunity document.

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Harvesting Opportunity and the single desk are central to the strategic direction that the board has set for the CWB. Should references to them be deleted from the Plan, it would no longer accurately reflect the board's vision, which would, in turn, be an abdication of the board's responsibility and its accountability to farmers. Given the inclusion of the information that you have requested and the additional activity that the board has agreed to undertake, we believe that the Plan can appropriately reflect both strategic visions for the CWB.

That being said, as indicated in our letter of June 2nd, we are not seeking approval of the Harvesting Opportunity proposal in the context of the 2006-07 Corporate Plan, but rather have made reference to it in order to provide a comprehensive overview of the CWB's strategic direction.

When we first met in February 2006, you indicated that the government wanted farmers' best interests to be the guide on this issue. The CWB board has always felt exactly the same way. It is, of course, farmers who must ultimately decide the future direction of the CWB, but it is our collective responsibility to ensure that their choice is a fully informed one. Farmers are receiving signals regarding the Government's vision and similarly are entitled to see the vision for the future that their directors have charted.

In the meantime, we remain hopeful that you will take up our offer to meet to discuss the future of the CWB to find a shared vision for it.

A revised 2006-07 Corporate Plan to reflect the foregoing is attached.

Yours truly,

Adrian C. Measner
President and Chief Executive Officer

Ken Ritter
Chair, CWB Board of Directors

ACM/gs
047CEO-06

Attachment

c: Laurie Throness, Chief of Staff to the Minister responsible for the Canadian Wheat Board,
Fax: (613) 759-1081

CWB BOARD OF DIRECTORS TELECONFERENCE MEETING – DECEMBER 1, 2006

DRAFT RESOLUTION

"WHEREAS the President & CEO of the Canadian Wheat Board has received notification from the Minister dated November 29, 2006 of the pending rescission of his appointment by Order in Council;

AND WHEREAS the board of directors of the CWB has fulfilled its responsibilities and obligations under the Canadian Wheat Board Act in relation to the appointment, compensation and performance assessment of the President & CEO, recognizing the governance significance of effectively fulfilling this function to both the organization and the well being of western Canadian farmers;

AND WHEREAS the board of directors has complete confidence in the abilities of Mr. Measner to fulfill his accountability to the board for the implementation of the approved strategic direction and the effective conduct of operations, as evidenced by its unanimous recommendation to reappoint him to the position in November, 2005;

AND WHEREAS the board of directors is concerned that the potential termination of Mr. Measner would put the Canadian Wheat Board at significant risk, particularly during this critical time in the CWB's history, and potentially jeopardizes the ability of the board to be held to account by western Canadian farmers;

BE IT RESOLVED THAT:

The board of directors of the Canadian Wheat Board demonstrate its support for the retention of the current President & CEO and communicate its concern regarding the pending rescission to the Minister for the CWB;

AND FURTHER RESOLVED THAT:

The board of directors recommend that the Minister reconsider this action in consultation with the board."