

# A MESSAGE FROM THE CHAIR OF THE BOARD OF DIRECTORS AND THE PRESIDENT AND CEO

Nov. 15, 2006

Ask farmers and they'll tell you that farming today bears little resemblance to farming 70 years ago. In the early part of the century, horses pulled ploughs and weeds were picked by hand. Farmer-controlled grain companies dominated the Prairie landscape. Today, global positioning systems navigate tractors and combines, while precision sprayers filled with plant-specific herbicides take care of the weeds. The farmer grain co-ops are gone, leaving a grain-handling industry increasingly dominated by multinational players.

If there has been one constant, it's the CWB's mandate to maximize returns for western Canadian farmers. But, as farmers' marketing partner, we've changed too.

From governance changes designed to place control of the CWB firmly in the hands of farmers, to the introduction of Producer Payment Options (PPOs) designed to give farmers more marketing flexibility, each milestone carries its own significance and helps paint a picture of how the CWB has evolved over the years.



left: Ken Ritter; right: Adrian Measner

A major turning point for the organization occurred in 1998, when control of the CWB passed from a board of government-appointed commissioners to a modern, corporate board of directors. The CWB shed its status as a federal agent of the Crown and emerged as a commercial marketing corporation. Today, it is governed by a 15-member board of directors, comprised of 10 farmers elected by their peers, four members appointed by the federal government and a CEO chosen collaboratively by the board and government.

**CHANGING THE GOVERNANCE ENSURED  
THAT FARMERS HAVE THE ULTIMATE SAY ON THE  
POLICIES AND STRATEGIC DIRECTION OF THEIR  
GRAIN-MARKETING AGENT.**

It wasn't long before farmers demonstrated how having their voices heard at the board table could affect the business. Shortly after the first democratically elected farmer directors took office, the CWB introduced PPOs. These pricing options were designed to provide more flexibility over how and when farmers get paid for their grain. The PPOs were designed to mimic the open market environment, while keeping the proven benefits of the single desk and price pools intact.

Both the PPOs and governance changes were significant, but an organization needs to constantly evolve to remain healthy, competitive and responsive. It was with this thinking in mind that the board of directors began to ponder the longer-term future of the CWB. After consulting with farm leaders and the business community's best minds on how to construct a CWB ready to meet the future, the board released its vision for the future: *Harvesting Opportunity*.

This vision focuses on empowering farmers to prosper in the global marketplace by enhancing the single desk and creating a new business model comprised of a modern grain-marketing corporation – independent of government – with a venture capital subsidiary to generate additional value for farmers through commercial investments.

The farmer-controlled board of directors developed the plan because it plays to our competitive strengths, creates farmer power in grain handling and transportation and provides a realistic platform for farmer investment in value-added opportunities.

Why choose to build on the single desk? Because it gives farmers the power to compete in an industry that is increasingly globalized and dominated by a handful of

vertically integrated multinationals. It's why we can brand western Canadian wheat and barley as the best in the world and it's why customers pay a premium for that grain.

In short, the single desk is the key to our competitive advantage. Study after study has shown it adds millions of dollars to the bottom lines of western Canadian farmers. As such, it also had to be the cornerstone of any sound business plan that sought to enhance the position of western Canadian farmers as leaders in the global grain market.

But we're being challenged on this vision. At the time of writing this message to you, the federal Conservative government is manoeuvring to follow through on a campaign promise to end single-desk selling for western Canadian wheat and barley.

While farmers may be divided about whether that is the best course for their future, the vast majority are united in one belief: farmers – and farmers alone – should have the final say over any changes to the way their grain is marketed.

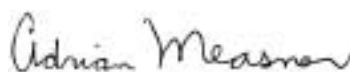
A key principle of empowerment is the ability to have a say over your own destiny. That's why the CWB has chosen a plan that puts farmers in full control. Our vision builds on what farmers have told us in surveys, meetings and through the election of their directors – they want an innovative marketing agency that leverages the single desk, has an expanded role in value-added and aggressively brands western Canadian wheat and barley as the best in the world. *Harvesting Opportunity* is about listening to what farmers are saying and providing them with the tools they need to thrive and prosper.

It's about a partnership built on a solid foundation – one that enables farmers to move with confidence into the future.



**Ken Ritter**

Chair, board of directors



**Adrian Measner**

President and Chief Executive Officer