

Mr. Chairman, Members of the Commons Standing Committee on Agriculture and Agri-Food:

I wish to thank the Committee for providing the CWB with the opportunity to appear before you today. With me is Adrian Measner, our president and CEO. After I have spoken, Adrian will also be addressing the Committee. As you know, we were originally scheduled to appear on Tuesday. The comments that both Adrian and I had intended to make at that time will be made available to the Committee. Also our written response to some of the erroneous comments made by earlier witnesses who have appeared before you have been sent to the Chair.

We have known for the past year – ever since it was announced in the last election campaign – that the Conservative Party of Canada's policy on the marketing of wheat and barley in Western Canada is that the CWB's single desk should be eliminated and marketing choice implemented. Disagreement between the board and the government on such a fundamental issue was bound to create some tension.

There is a correct and an incorrect way to overcome major challenges of this nature. The correct way is to come to some fundamental agreement on underlying interests. In this case, the underlying interest must be the economic well-being of the grain producers of Western Canada. Any changes, especially in the context of the financial crisis from which farmers are just emerging, must advance the cause of producers' viability and long-term profitability.

The next step is to dialogue in a respectful manner. This dialogue must include a consideration of all alternatives and all options so that both parties feel like they have had a full opportunity to make their case.

There needs to be agreement on how the issue will ultimately be resolved and who has the final say. On such a contentious issue as the fate of their grain marketing system, there is no doubt in my mind that the ultimate decision-makers must be the people who are most concerned with the outcome, namely the grain producers of Western Canada. That's why we have director elections and a plebiscite process in our legislation.

Lastly, there has to be a commitment to accept the decision of farmers and to move forward in a spirit of cooperation.

Unfortunately, there has been very little right or correct so far about the process to bridge the gap between current government policy and the will of western Canadian farmers as represented through their elected directors.

We are looking for discussion on underlying interests, for real dialogue, for agreement on a process to resolve our differences and we are willing to commit to cooperate. Most importantly, we are looking for a reciprocal commitment from the government.

Barring that, we will continue to face major impasses - like the current one where the government is preparing to take the extraordinary step of removing from his position as head of a multi-billion dollar corporation a President and Chief Executive Officer who has the support of the board of directors.

It is time to do things differently and to try to set things right.

In order to do so, I would like to present the Committee and the Government of Canada with a five-point plan for moving forward:

- I. The CWB calls upon the government to respect the director election process as a legitimate exercise in democracy and a legitimate expression of farmers' views on their marketing system. The results of the director elections in five of the 10 districts in Western Canada will be known this weekend. In the aftermath of these elections, we call on the Minister to sit down with four elected representatives from the CWB, including directors who are for and against the single desk, to dialogue openly and respectfully on issues of contention between the CWB and the government.
- II. The CWB calls upon the government to consult with the board of directors in developing clear rules around the upcoming barley plebiscite that the Minister has promised for early in the new year. The CWB's board of directors – as elected representatives of the farmers of Western Canada – must have a part in determining issues like the wording of the question, voter eligibility and third-party spending limits.
- III. We must work towards a clearer, better-defined process for wheat. The Minister has indicated that wheat will not be removed from the single desk before August of 2008. But farmers' ability to function in the highly competitive wheat marketplace relies on our reputation as solid, long-term suppliers of the best grain in the world. The current uncertainty that hangs over the CWB is very negative to that reputation and we are beginning to suffer the consequences. Among the options for bringing greater certainty to the issue of wheat marketing, we need a binding plebiscite with a clear question before any changes are made. As well, there is a need for an in-depth economic analysis of the consequences of having an open market for wheat.
- IV. The Minister's order-in-council restricting the CWB's communications activities must be rescinded. If there is concern over how farmers' money is being spent by the board of directors, we are willing to discuss the matter with the Minister but the issuing of directives is not the way to proceed and build the level of dialogue that we need.
- V. The process to remove Adrian from his position as President and CEO must be halted. Good corporate governance requires that the CEO report and be accountable to the board of directors. The board cannot and should not be bypassed. This board supports the current president and CEO, Adrian Measner.

This five-point plan is a realistic one and one that can be implemented immediately. It is based on mutual respect and respect for the fundamental notion that the CWB is not a government agency. It is, in fact, a shared governance corporation in which farmers, through their elected representatives on the board of directors and by virtue of their economic stake in the CWB's activities, must play the dominant role.

Regardless of what has happened in the past, we must take the opportunity today to set ourselves and the western Canadian grain industry on the right path, one that recognizes the central role that farmers must play and that acknowledges the legitimacy of their democratically-elected representatives.

Thank you. Now, I will give the floor to Adrian.