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FARMERS WANT CLEAR CONTROL OVER CWB: SURVEY

Winnipeg – Prairie farmers are strongly asserting their right to control the future of the Canadian Wheat Board, according to the CWB’s annual producer survey, released today.

Seventy-six percent of respondents said the federal government should not eliminate the CWB without farmer consent – a view shared by both supporters and opponents of the CWB single-desk model. In addition, 79 per cent said the ultimate decisions about the CWB must be made by farmers, not by the World Trade Organization (WTO).

“The message from farmers is crystal clear: they want to be firmly in charge of their marketing organization and call the shots on its future,” said CWB chair Allen Oberg, who farms near Forestburg, AB, southeast of Edmonton. “As CWB directors and their elected representatives, we also want assurances that farmers have real clout.”

Oberg said a number of issues, including the court-backed federal “gag order” of the CWB, suggest the role of farmers is being eroded. Farmers appear to share this fear. The survey shows they are less likely than last year to view the CWB as farmer-controlled. Sixty per cent say they believe the federal government has more say than farmers over decisions at the CWB, compared to 49 per cent in 2009.

Support for the CWB remains high among western Canadian farmers, with 70 per cent saying they support the organization. This is statistically identical to last year’s 71 per cent. Support is even higher (76 per cent) among those who conduct at least 25 per cent of their business through the CWB. “Farmers who are the most engaged and familiar with the CWB marketing model appear to value it the most,” Oberg said.

On marketing structure, 69 per cent of those with an opinion supported retaining the single desk for wheat. For barley, opinions are more complex. Almost half (48 per cent) prefer the

CWB model for barley over the open market. Oberg noted that 49 per cent of barley growers said they believe the CWB can get better prices than the open market, compared to only 29 per cent who believed an open market could achieve higher barley returns. “This suggests the barley debate is about something other than generating the best prices for malting barley,” he said.

In addition, support for the “dual marketing” concept for barley has dropped significantly over the past five years, from a high of 54 per cent in 2005 to 39 per cent today.

The survey, which covered a wide range of topics, also showed farmers are pessimistic about the state of agriculture this year. More than half (53 per cent) believe agriculture is on the wrong track, compared to only 31 per cent last year. Top concerns were the low price of wheat, the high costs of inputs and the expense of grain transportation. Eighty-three per cent said their freight costs are unreasonable, with 92 per cent wanting the CWB to advocate strongly for a government review of railway costs for transporting grain. On the WTO negotiations, 55 per cent said they believe the deal would decrease their profits.

The survey was fielded in early spring among 900 producers in the three Prairie provinces. It is considered accurate within 3.24 per cent. Results have been posted at www.cwb.ca.

Controlled by western Canadian farmers, the CWB is the largest wheat and barley marketer in the world. One of Canada’s biggest exporters, the Winnipeg-based organization sells grain to over 70 countries and returns all sales revenue, less marketing costs, to farmers.

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2010 CWB Producer Survey

Summary of key points:

Farmers feel strongly that they should control the CWB:

- 76% said the government shouldn't eliminate the CWB without farmer consent.
- 60% believe the 2006 barley plebiscite was flawed and does not represent approval from farmers to remove barley from the CWB single desk.
- 79% say the ultimate decision about the future of the CWB must be made by farmers, not the World Trade Organization.
- 76% agree that farmers have more influence over the CWB than they ever could over a multinational grain company.

Fewer producers feel a sense of ownership of the CWB:

- 60% said the federal government has more say than farmers over decisions at the CWB, compared to only 49% last year.
- 75% said they believe the CWB is run by a board of directors, not the federal government. This is down significantly from 83% last year.
- 65% rated the CWB as "excellent" or "fair" in being accountable to farmers, while 67% thought it was open and transparent, and 71% thought it was honest in its communications with farmers.

The CWB continues to have a strong support base among farmers:

- 70% said they support the CWB (46% "strongly"), virtually identical to last year.
- Three-quarters of those who do more than 25% of their business with the CWB say they support the CWB. Among those who do less than 25% of their business through the CWB, less than half support it.
- 83% per indicated that their impression of the CWB was either better (30%) or unchanged (53%) from two years ago.

Marketing preferences are stable:

- Support for single-desk marketing for wheat and barley is virtually identical to last year's survey, remaining among the highest support levels for the single desk since this survey was first fielded in 1998.
- For barley marketing, support for so-called "dual marketing" has continued to drop and remains at its lowest level in the history of the survey (39%).

The CWB model is seen as most effective in many key areas:

- 67% said the CWB single desk would be more effective at maintaining Canada's reputation for high-quality wheat than would an open market.
- 63% said the CWB would be better at providing farmers with leverage over multinational grain companies. 60% said the CWB would be best at gaining new markets for Canadian wheat.
- Half or more also said the CWB would be best at providing farmers with influence over government policy, getting the highest possible price for wheat, keeping control of Canadian farming in Canadian hands, allowing family farms to stay in business and allowing farmers to make as much profit on their businesses as possible.

- 47% thought the CWB would be better than the open market (29%) at getting the highest price for malting barley. Among barley growers, even more (49%) believed the CWB model would get the best malting-barley price.
- 72% said the CWB provides them with a sense of security for their business.

Farmers are pessimistic about the state of agriculture:

- 53% said they thought agriculture was on the wrong track, compared to only 31% last year.
- 84% said the outlook for agriculture is more pessimistic than last year.
- 51% cite wheat prices as a major challenge, compared to only 23% last year.
- 40% said input costs were a major problem, 37% cited grain transportation costs.

Railway costs are seen as unreasonable:

- 83% view their current rail freight costs as “very” or “somewhat” unreasonable.
- 92% want the CWB to take a strong public position that there needs to be a review of railway costs for moving grain.
- 39% expect a rail costing review would result in lower transportation costs for farmers, while 44% expected there would be no change.

Farmers are negative on World Trade Organization (WTO) outcomes:

- 71% opposed (53% strongly) the elimination of the federal guarantees on CWB initial payments and the elimination of borrowing guarantees by 2013 as part of a WTO agreement
- 71% also oppose (55% strongly) the elimination of the Canadian Wheat Board single desk by 2013 as part of a WTO agreement
- 55% felt that the current version of the WTO deal would decrease their profits, while 25% thought it would make no difference.
- 64% said they were following the WTO negotiations, at least “somewhat closely”.