



May 12, 2011

The Right Honourable Stephen Harper, P.C., M.P.  
Prime Minister of Canada  
80 Wellington Street, Langevin Building  
Ottawa, ON, K1A 0A3

Dear Prime Minister Harper:

The Grain Growers, Wheat Growers and Barley Growers strongly support the federal government's plan to provide marketing choice for western Canadian wheat and barley growers, and encourage you to implement this as quickly as possible.

Our goal is to create an open market that provides prairie farmers with the freedom to market their grain on their own to value added processors, grain handlers, or through a competitive Canadian Wheat Board. An important feature of this open market is to allow each individual farmer to determine, on an ongoing basis, how much or how little grain they sell through each marketing channel.

### **Certainty and clarity**

Creating certainty and clarity are crucially important for the CWB, grain handlers, exporters, importers, domestic processors, millers, maltsters, and indeed farmers. Therefore it is critical that there be firm timelines and the resources allocated both in the Departments, and in Parliament, to ensure an implementation date of August 1, 2012 or sooner if possible.

To provide certainty, our organizations are of the view that The Canadian Wheat Board Act should be repealed and replaced with a Grain Marketing Act which provides for marketing choice and the continuation of the CWB as a voluntary marketing organization.

This approach will also ensure the legislation can withstand any possible court challenges, which will invariably occur if efforts are made to simply tinker with the provisions of the existing Act.

The implementation process needs to have clear rules of engagement for both CWB and the private trade during the interim period as some sales must be made, and logistics arranged, in advance of the implementation date.

The setting of a specific implementation date (whether August 1, 2012 or sooner) will allow a more orderly transition to the open market and will assist industry players, large and small, to have sufficient time to plan for and arrange lines of credit, sales agents, customer contacts, logistics, and to finish existing contracts.

To ensure the success of marketing choice we recommend the Minister create a Government working group within AAFC which would:

- Receive clear directions and timelines from the Minister to prepare legislation by September 30<sup>th</sup>, 2011 for an open market in wheat and barley effective August 1, 2012 or on an earlier specified date. Further that the Department:
- Consult with other Departments as required (Finance, Justice, Treasury Board)
- Consult with industry players as required (CWB, WGEA, MIAC, CNMA, farmers, etc.)
- Set up a mechanism for public input (website, written submissions)
- Consider issues such as: use of CWB cars, car allocation, shipper of record, future acquisition of assets, ability to market other crops, outstanding debt and interest charges on CWB sales, government guarantees, cash advances, Canadian International Grains Institute funding, bonding, wheat and barley research check-offs, dispute resolution processes, grain handling agreements, ownership structure of CWB, etc.

It's important to emphasize that not all issues need to be resolved prior to implementation of marketing choice. In fact, it is reasonable to expect normal commercial relations/negotiations under a marketing choice environment would address a number of the issues outlined above so that the transition to a marketing choice environment occurs smoothly and that farmers, the trade and the CWB all have an opportunity to manage their business successfully.

The final goal of a commercial, competitive system that attracts investment to agriculture and adds value and jobs in Canada will evolve from this implementation.

### **Need for decisive action**

In anticipation of strong opposition from the CWB, some interest groups and Opposition Parties, we urge you to consider introducing legislation this spring as part of the budget bill which would effectively repeal the CWB Act as of Aug 1, 2012 or sooner.

Inclusion in the Budget greatly minimizes potential legal challenges. This would in effect force not only the Government and supporters of change to work quickly, but will help ensure the CWB and people opposed also work quickly towards adapting and implementing the new framework.

The certainty of a specific endpoint will lessen the demands for immediate action.

### **Bill C-619**

Our organizations have also considered whether Bill C-619, the CWB opt-out bill, is an approach that should be pursued. While we recognize the merit of this approach under a minority government situation, our view is that the opt-out legislation would not provide farmers with the ability to sell a portion of their crop through the Canadian Wheat Board. As stated above, our organizations want each farmer to have full flexibility to determine how much grain they market through each marketing channel. Furthermore, our objective is for the government to provide marketing choice in a manner that is as permanent as possible, and can withstand any possible legal challenge. For that reason, we prefer the repeal of the Canadian Wheat Board Act in its entirety and the introduction of a new Grain Marketing Act that provides for the continuation of the Canadian Wheat Board as a voluntary marketing entity.

## Summary

The Grain Growers, Barley Growers and Wheat Growers are enthused about the tremendous opportunities and prosperity that will evolve under a marketing choice environment.

Our organizations are committed to working with you and your government to ensure the transition to marketing freedom is concluded as smoothly as possible.

Sincerely,



Stephen Vandervalk  
President, Grain Growers of Canada



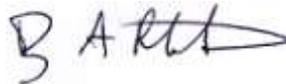
Richard Phillips  
Executive Director, Grain Growers of Canada



Kevin Bender  
President  
Western Canadian Wheat Growers Association



Brian Otto  
President, Western Barley Growers  
Association



Doug Robertson  
Vice President, Western Barley Growers  
Association

cc Agriculture Minister's Office