CAN THE CWB HONOUR THE PLEBISCITE RESULTS?

Something just doesn't add up.

On the one hand, Allen Oberg, Chairman of the CWB board, has said that it is the fiduciary responsibility of the CWB board of directors to act in the interest of the current CWB in its current state. At a CWB meeting in Camrose on Aug 16th, Mr. Oberg stated:

“On the task force that Deputy Minister John Knubley has commissioned; originally, we were asked to co-chair that task force. That’s something we didn’t think was appropriate. ...

As directors, whether elected or appointed, our fiduciary responsibility is to the current organization. And we must always act in this organization’s best interests, and as the single desk is the Canadian Wheat Board’s most valuable asset, it’s our duty to protect that asset.”

And it’s not just Mr. Oberg. At the CWB meeting in Medicine Hat, Jeff Nielsen, CWB director – and an open market supporter – declined to express his opinion, saying he was bound by his fiduciary duty as board member not to do anything that would damage the current CWB’s interests.

Therefore, they’re saying they can’t work on the development of the CWB’s replacement organization, or even the transition to that new organization.

On the other hand, Mr. Oberg has said many times that the CWB board has agreed to abide by the results of the plebiscite. In a recent letter to the editor (probably in many papers, but I found it in the Winkler Times) Mr. Oberg says:

“The CWB's board of directors will respect the results of this plebiscite. If a majority of farmers wants to end the single desk for barley or wheat, we will actively support the transition to an open market.”

It’s not clear what he means by “actively support” but it certainly sounds like it means they will work with the government with the transition from the current CWB and in developing its successor.

As far as I can tell, the results of a non-binding plebiscite can't remove the fiduciary responsibility of the board. If it truly is the board's legal responsibility to act in the current CWB’s best interests before the results of a non-binding plebiscite, it certainly is afterward as well. They can't change horses mid-stream and arbitrarily decide to dismantle the CWB. Don’t forget, this plebiscite is non-binding because it is non-compliant with the CWB Act. Therefore, it is an arbitrary action and the board’s reaction to it will also be arbitrary.

Even so, let’s go with it for a minute. This whole story is of particular interest to the barley market. If the plebiscite result on barley is anything like the CWB’s own surveys (and why wouldn’t it be?), then the CWB board will be facing a situation where, to be true to their word, they will have to give up the fight on barley and “actively support the transition to an open market”.

#86 Can the CWB honour the plebiscite results?
It also quite likely that the plebiscite results will show a majority of farmers voting to keep the CWB intact on wheat. So what does the CWB do? Do they “actively support the transition to an open market” in barley and yet “spend all available resources” to keep and protect the single desk on wheat?

Even board member Jeff Nielsen, when asked in an interview with Shaun Haney of Real Agriculture, couldn't say exactly what the board will do in that situation. Mr. Nielsen didn't say that the board wouldn't follow through on barley; rather, he said that the CWB survey results have consistently shown a majority of farmers want marketing freedom on barley, and in light of the fact the board has never done anything to satisfy them, to ask how can we be confident they will this time, is "a good question". To be fair, there are a number of ways the board can respond to the plebiscite and Mr. Nielsen can't be expected to answer for the rest of the board, particularly when you consider he is among the minority on the subject.

I can't say I agree with this fight for survival in any case; I certainly don't agree with the plebiscite. Even if you ignore the plebiscite as an inconsequential and arbitrary act, the right thing to do is to give up barley (12 years of surveys should stand for something) and to make the case early and clearly. On Sept 9th, immediately following the public release of the plebiscite results, they could announce that effective immediately, zero-cost export licences on barley will be made available to anyone who requests one.

If the plebiscite supports an open market on barley, keeping barley under the single desk until it is pried from the CWB's hands at end of the crop year will do nothing to support their cause. I suspect they will be looking for any support they can get as they fight for their wheat life. The don't need barley to keep the CWB and keeping barley will not win any friends.

But if the plebiscite results support the single desk on barley, we'll know just how badly flawed the plebiscite really was.