

## **Positive changes to the Canadian Wheat Board can promote economic growth in Canada**

The Canadian Wheat Board (CWB) has held a monopoly on the marketing of wheat grown in Western Canada for export or domestic consumption since 1943. At that time the Government of Canada made selling wheat through the CWB mandatory in order to guarantee a steady supply of food to Europe during a time of war. In 1949, barley and oats were added to the monopoly, although oats were eliminated in the 1980s.

Innovation and increased secondary and tertiary processing are key components in developing strong value chains in the wheat and barley industries for the benefit of producers, processors, and the country as a whole. The current single-desk model restricts valued added investment in wheat and barley, significantly diminishing the ability of farmers and industry to respond to market demands and earn a premium return in recognition of the innovation provided, including innovation in value-added processing.

The removal of single desk marketing systems in other countries has led to new investment and growth in value-added activities, benefiting all members of wheat and barley value chains from consumers to processors to farmers. Argentina, Australia, Ukraine, Russia are among many examples. Removal of delivery constraints into the Canadian grain handling system has benefited the entire Canadian Canola industry.

Chambers of Commerce strives to help foster growth in cities and across the province business and industry productivity and competitiveness, thereby raising the standard of living for all Albertans. This mission is based on a person's ability to enjoy the liberty associated with running a business in a free and open economy – a liberty that should not be denied Western Canadian farmers and industry.

### **Recommendations**

That the federal government:

1. Amend the Canadian Wheat Board Act to provide Western Canadian farmers and value-added\* processors the voluntary option to participate in the Canadian Wheat Board. This amendment would give all farmers the right to market their own production of wheat and barley to any buyer they choose.
2. As a first step, have the Minister Responsible for the Canadian Wheat Board immediately use his powers under the Canadian Wheat Board Act to instruct the CWB to issue no-cost licenses for all Inter-Provincial and Export shipments of value-added products of wheat and barley to allow present and new processors to work directly with growers and thereby encourage an expansion of value-added processing of wheat and barley in the Prairie provinces.

\*Value Added Product is defined as any change from the Harmonized Standards (HS) code from the grain code to a value added product code at the 2 digit level. E.g.: from cereals (codes starting with 10) to Milling industry Products (codes starting with 11 or to consumer food products codes starting with 16-24).

Reference: <http://www.exportcanada.com/HscodeSearch.aspx>