

Moving Wheat and Barley Forward

One of the fundamental issues facing the Canadian Wheat Board is a troubling trend to lower wheat and barley production in Western Canada.

This contrasts with the world marketplace, where global production of wheat has expanded by about 100 million metric tonnes since 2000 to approximately 680 million metric tonnes today. In fact, wheat production globally has more than doubled in the past 40 years. As world production has grown, so have global exports. Since 2000, global wheat exports have increased by approximately 30% in total tonnes.

At the same time, wheat production in Western Canada has declined and consequently its share of global wheat exports has fallen from 21% in 1990 to about 14% today.

At this point, however, it is more important to focus on ways to regain Canada's market share than to focus on why Canada's market share has decreased.

As farmer-elected directors of the Canadian Wheat Board, we are committed to seeing the Wheat Board undertake a thorough assessment of this market shift and show farmers what is needed to compete more successfully in today's marketplace. This could see Canada change from being a high-protein wheat producer to a producer that provides wheat for all markets.

It appears the Wheat Board has focused its marketing activities on selling high-quality, high-protein wheat, but many farmers say other grain-producing countries are gaining a competitive advantage by growing and marketing various types and grades of wheat.

The Wheat Board's thinking has long been that high-quality wheat generates higher returns. This isn't always the case, especially as food processors and manufacturers discover new ways to use different grades of wheat. Meanwhile, some of our high quality wheat goes into lower grade markets at lower prices.

Going forward, the Wheat Board needs to pursue a business strategy that is balanced with the needs of farmers and their businesses.

The CWB also needs to look at wheat and barley more than exportable commodities and consider ways to add value locally to these crops. For example, it's absurd that we export Canadian durum wheat to Italy and import it back as pasta. Wheat and barley could and should be processed in Canada, in much the same way canola is processed. This would not only generate greater revenue for producers, it would expand the value chain and create local jobs. Those involved in the wheat and barley value chains would welcome an opportunity to work with the CWB (and other stakeholders) to develop new business strategies.

We're in an ever-changing world and are seeing a growing number of niche markets. So far, the Wheat Board has shown little interest in capitalizing on such market opportunities. If wheat and barley production in Western Canada is ever going to increase and compete with other non-Wheat Board crops, farmers must have access to new markets. Wheat and barley marketing options and opportunities on the prairies will have to grow, adapt and show value back to our producers.

No other organization in Canada is in a better position to make this happen than the Wheat Board. In our view, and the view of many of our constituents, the only thing holding it back is a willingness to work with farmers and food processors to ensure a long term future.

Without this willingness, wheat and barley production is likely to continue to fall. These crops, which are so important to sustainable agriculture, will continue their decline.

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