



GEORGE MORRIS CENTRE

MEDIA RELEASE

Proposed Federal CWB Legislation Can Lead to New Investments and Improved Prosperity in Western Canada

Guelph, ON (October 31, 2011) The federal government has introduced legislation that will remove single desk marketing authority from the Canadian Wheat Board (CWB). There is good reason for optimism, given this change. “In Western Canada, acreage of CWB crops has been declining for many years, while the acreage of crops outside of CWB control has been steady or rapidly growing. This decline in wheat and barley acreage is broadly inconsistent with yield growth trends, and expected profitability”, says Al Mussell, Senior Research Associate and co-author of the report. “Something else has influenced producers to vote with their feet”.

At the same time, investment has lagged in CWB grains- but has been much more aggressive in non-CWB crops. According to Kate Stiefelmeyer, Research Associate and co-author of the study, “We haven’t seen investment in barley malting facilities in nearly 20 years, and major investments have been lacking in flour milling and durum processing in western Canada”.

The report concludes that under the federal government’s proposed legislation, there is every reason to expect wheat and barley to evolve more like canola and pulses now marketed outside the CWB in Western Canada. George Morris Centre Executive Director and study co-author Bob Seguin says, “The CWB is not what it was 10 or even 5 years ago, but despite its efforts to evolve, it has struggled to keep pace with a market that provides a wider range of price instruments, improved cash flow to producers, and source of product for downstream sellers. Outside the CWB, these factors have generated tremendous economic development in western Canada. As wheat and barley markets are opened up, we should expect a similar development.”

The complete GMC report entitled “*The Move to a Voluntary Canadian Wheat Board: What Should be Expected?*” is available on the George Morris Centre website: www.georgemorris.org

The George Morris Centre is a national, independent, economic research institute that focusses on the agriculture and food industry. The Centre areas of research include: trade, regulation, cost of production, food safety, market analysis, agricultural research, environment, competitiveness and corporate strategy.

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