

National Office
2717 Wentz Ave.
Saskatoon, Sask., S7K 4B6
Tel (306) 652-9465
Fax (306) 664-6226



national farmers union
In Union Is Strength

FOR IMMEDIATE RELEASE

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MCCLELLAN ATTACKS CWB WHILE U.S. FEED CORN FLOODS ALBERTA

BENALTO, Alta.—“In a transparent attempt to draw attention away from the mountain of subsidized U.S. feed corn rolling into Alberta and away from her inaction on the issue, Alberta Minister of Agriculture Shirley McClellan attacked the CWB for ‘a perceived loss’ of value-added processing of malt barley and durum,” said NFU Alberta member Ken Larsen.

Larsen continued: “Alberta grain farmers, frustrated at seeing the value of their feed barley buried under an avalanche of subsidized U.S. feed corn, must be wondering about the benefits of Alberta's ‘anti-Wheat Board’ feed grains policy. Cattle feeders should be concerned about a possible consumer backlash if any U.S. corn is contaminated with genetically modified StarLink corn. Grain farmers must also be sceptical when Alberta's Minister of Agriculture calls for a dual market in grains for human consumption.”

NFU member Dale Fankhanel agreed with Larsen, saying: “In spite of the ‘perceptions’ the Alberta Minister is attempting to create, the facts are quite different. The grain market is globalized. In that type of market, low level processors, like feed lots, will always go for the cheapest product they can get. That now means feedlots and piggeries importing subsidized U.S. corn. This corn is moving as far north as Stoney Plain and Westlock, while Alberta barley sits in the bin and loses value. This fiasco shows that in an uncontrolled market, especially where others subsidize product, the lowest price is the law. By attacking the CWB, the Minister is simply trying to draw attention away from the reality that Alberta Government policy favours processors over farmers.”

In contrast to animal feeding operations, the situation in the higher level human consumption market served by the Canadian Wheat Board is quite different. Fankhanel stated: “Processors who make food products for human consumption want reliable supply and high quality; both are strengths of the CWB.”

Fankhanel dismissed the idea that the CWB deters value-added processing. “It is a fact that the single largest malt house in the world is at Alex, Alberta. That plant

has almost half the malting capacity in Canada, yet Alberta grows less than a quarter of Canada's malting barley. API Processors near Red Deer, Alberta operates a successful grain fractionation plant and flour mill. Overall, about 30% of Canada's wheat crop is milled or made into pasta in the west. In the U.S., only about 11% of their wheat crop is processed in their grain belt," said Fankhanel.

Larsen concluded: "The Alberta Minister could at least follow the lead of Manitoba farmers. Last year they called for import duties on this highly-subsidized U.S. corn in hopes of stabilizing feed prices. Of course this will not happen. According to McClellan, Alberta now has a goal of \$20 billion worth of food processing and value-added production by 2010, 'but is frustrated by the board's grain buying monopoly.' The translation for this statement is: any further value added processing will have to come at the expense of farm gate prices. However, it doesn't have to be this way. The success of the CWB at enhancing farm gate returns while supporting value-added industries is evidence there is another way."

— 30 —

For more information, contact:

Ken Larsen, NFU Alberta Member:	(403) 746 3463
Dale Fankhanel, NFU Alberta Member:	(780) 877-2280
Jan Slomp, NFU Alberta Board member:	(403) 843-2068
Darrin Qualman, NFU Executive Secretary:	(306) 652-9465