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FOR IMMEDIATE RELEASE

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CWB DOES VERY GOOD JOB IN VERY DIFFICULT MARKET YEAR

SWIFT CURRENT, Sask.—“In the 2002/03 crop year the Canadian dollar made a nearly unprecedented jump; new sellers such as Kazakhstan and Ukraine unexpectedly became major players in world wheat markets; and the Canadian harvest was very small and delayed until late in the fall of 2002 and, in some cases, into the spring of 2003. In the face of this nearly impossible-to-predict market, the CWB overestimated wheat returns by just 27¢ per bushel. Farmers appreciate the CWB’s efforts to predict wheat prices in a difficult market and farmers appreciate the additional 27¢,” said NFU President Stewart Wells.

Wells pointed out that just one factor, the jump in the Canadian dollar, had a direct impact on the final pool return for wheat of an estimated \$12.25 per tonne: far more than the \$9.86 shortfall.

Wells also pointed out that the CWB correctly predicted final prices in the durum, feed barley, and two- and six-row malting barley accounts. Further, year after year the CWB correctly predicts world prices and correctly sets initial and adjusted initial prices. “Because of the expertise at the CWB, a pool account deficit is a very rare occurrence,” said Wells.

Wells said that the alternative to risking a rare pool account deficit is to set initial prices so low that there is not even a minute chance of a deficit. “Critics of the CWB criticize the Board for not getting farmers’ money out quickly enough. They constantly pressure the Board to get as much money flowing as quickly as possible. Now, those same critics are complaining because the CWB slightly overestimated wheat pool returns and put too much money in farmers’ hands too quickly. The near collapse of farm groups devoted to bashing the Board shows how little credibility those organizations have with farmers,” said Wells.

He concluded: “Last year’s conjunction of several negative factors—weather, markets, fluctuating currencies—all coming at the same time, is exactly the kind of negative situation that government guarantees of CWB prices were meant to safeguard. The system worked as it should, and western Canadian farmers have again benefited from our orderly marketing system,” concluded Wells.

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