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national farmers union
In Union Is Strength

FOR IMMEDIATE RELEASE

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CORN COUNTERVAIL NEEDED TO STRENGTHEN FEED GRAIN PRICES

The corn countervail action initiated by Ontario corn growers would help stop the downward spiral of feedgrain prices in western Canada, says Fred Tait, Manitoba Coordinator of the National Farmers Union (NFU).

Tait said while Ontario corn producers are suffering the biggest losses as a result of the influx of large amounts of subsidized American corn into Canada, Manitoba producers are also feeling the hurt.

“Canada imported over 90 million bushels of US corn in the 2004-2005 crop year,” noted Tait. “Imports have been rising every year. This has certainly been a factor in depressing the price of feedgrains in this province.”

While corn acreage is not as large in Manitoba as it is in Ontario or south of the border, the price of other feedgrains, such as barley, is impacted significantly as a result of imported US corn priced at below the cost of production.

While the livestock sector benefits from lower feed prices, Tait said a strong livestock sector cannot be built on cheap feed grains. “In the final analysis, the beneficiaries are larger beef feedlots and massive hog factories, and ultimately, the corporations who control the packing industry.”

Tait concluded the Canadian feedgrain market is effectively capped by import levels, and the market loss due to low prices is approximately equal to the loss of the Crow Benefit.

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