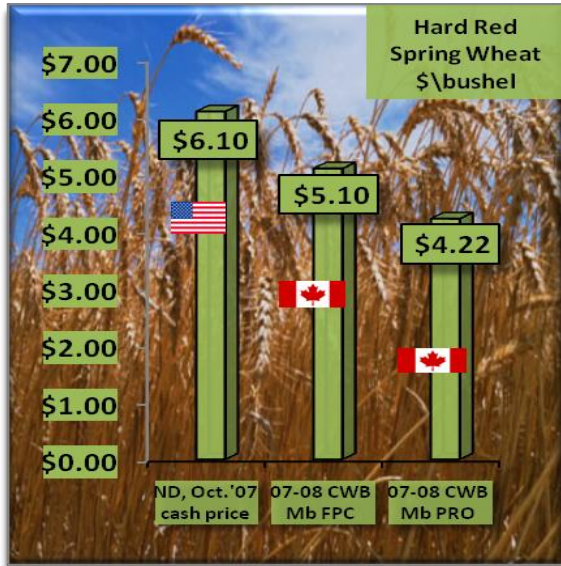




CWB Price Premium Myth

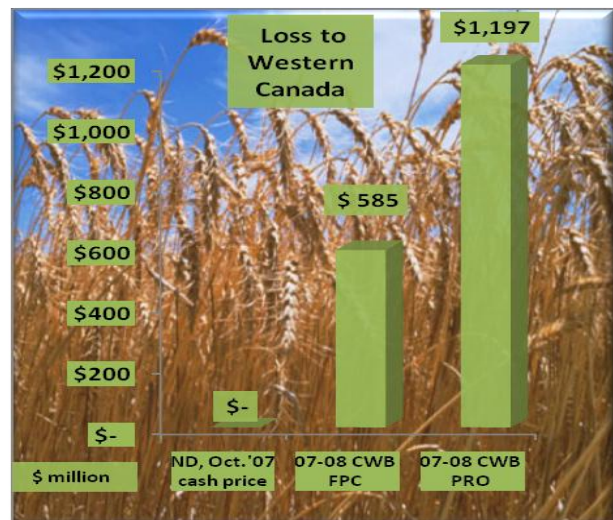
Current, real world, back to the farmer's pocket, price comparison shows that the [Canadian Wheat Board](#) (CWB) does not extract premiums from the marketplace. In fact the opposite is true. The current system is costing individual Prairie producers tens of thousands of dollars a year and the Western Canadian economy hundreds of millions of dollars annually.



- The closing prices for 13.5% protein Canada Western Red Spring (CWRS) wheat as of June 14, 2007 show a **net loss of between \$1.00 and \$1.88 per bushel (or \$36.74 to \$69.08 per tonne)**. The loss is the difference in price offered for new crop production by the present Canadian Wheat Board government monopoly to that of [private grain companies](#) just [across the border](#) in the United States.

- For every 500 acres of spring wheat that a Manitoba farmer grows, they are **losing on average anywhere from \$20,000.00 to \$37,600.00** if you assume a yield of 40 bushels per acre.

- According to [Statistics Canada](#) 17 million acres of spring wheat was planted in western Canada this year, which works out to an economic loss of between **\$585 million and \$1.2 billion for the prairie economy**.



Conclusion: This report is further evidence that the Canadian Wheat Board in its current state is not maximizing returns back to our farmers. Rescinding the CWB's legislated buying monopoly so as to allow other buyers in Canada and around the world to compete for Western Canadian farmer's wheat would greatly improve the situation. Competition would dramatically raise the prices farmers are currently receiving thereby enabling them to effectively compete in the global marketplace.

-Rolf Penner

[Click here for Background Data](#)