

## Rolf Penner Versus The Canadian Wheat Board On Marketing Choice

When federal Minister of Agriculture Chuck Strahl mandated a referendum on the Canadian Wheat Board's longstanding monopoly in barley marketing, he offered growers three options: the status quo, an end to Board involvement or marketing choice. Inserted into the ballot package were [opinion pieces](#) in support of each position.

The University of Saskatchewan's Murray Fulton argued for keeping things as they are and the University of Calgary's Barry Cooper presented a case for getting the Board out of barley altogether. Based on the Frontier Centre's longstanding record of presenting the case for marketing freedom, the Minister asked our Agriculture Policy Fellow, Rolf Penner, to summarize that position.

On March 5, 2007, contrary to explicit instructions from Strahl that the Board should remain neutral and stay out of the debate, the CWB's website posted rebuttals to Cooper and Penner. Fulton's article was not discussed.

In this special report, Rolf Penner presents the statements ([found here](#) in their entirety) about his work made by the CWB on that date and responds to them. Penner's responses are inserted throughout in blue text and indented. Where the CWB quotes from Penner's original essay, those words appear in quotation marks and bold italics. For additional clarity, the CWB's words throughout are justified, while Penner's are not. External documents discussed by Penner are hyperlinked for quick access, as indicated by underlining.

**Rolf Penner:** The stated purpose of the CWB's reaction to the Frontier Centre's reasoning in the barley plebiscite mail-out package – in support of the position that farmers should vote for choice – is that the Board believed it important to respond to "inaccuracies" contained in our analysis and provide a "fact-based" response. Unfortunately, the CWB's response fails on both counts. Indeed, it is filled with what at best can be described as theoretical counterpoint and at worst contradiction, innuendo, red herrings and irrelevancy, with the worst outweighing the best by a healthy margin.

What farmers should find particularly disturbing is the CWB's poor understanding of the marketplace and its lack of specific knowledge about its own business. This patent lack of competence ranges from the CWB's view of market share, to what maltsters in North America are doing, to comparative export costs for other crops, to farm-gate returns and simple matters like how contracts work, to the meaning of independent study and peer review. Also troubling is the Board's reliance on theoretical studies and mathematical models instead of real-world price comparisons; growers don't budget their operations based on theory, but on real-world income.

Since the CWB response does little in the way to clarify the Frontier Centre's factual claims or to increase farmers' knowledge of the choice option for barley marketing, what was its purpose? Since the CWB is officially forbidden from campaigning for a specific outcome in this plebiscite, is this a means by which it is trying to insert itself into the debate? Indeed, the arguments it presents appear to be political, not factual.

One proof of that is the CWB's decision to provide a rebuttal to both the Cooper and Penner essays, but none to the Fulton paper which argues in favour of the Board's preferred option, the status quo. Are we to assume, then, that the Fulton paper is 100% factually correct?

Chuck Strahl has been pilloried for demanding that the CWB stay out of the plebiscite, with his demand characterized as a "gag order." In fact, he is upholding a basic principle of democratic governance, that government institutions, agents and agencies – which have a decided advantage because of their entrenched assets and positions – remain neutral and let arguments for one position or another stand or fall in a contest based on the free exchange of opinion. That's why arguments were included in the ballot package for each of the voting positions.

Strahl was right to insist that the Board stay out of the fray and stick to its work of marketing grain. Because the results of the plebiscite may directly affect the CWB's future shape and direction, its interjections may be regarded as "special pleading" unrelated to facts, or at least understandably characterized as such.

**The Canadian Wheat Board:** The CWB believes it is important to respond to inaccuracies contained in the voting package analysis provided to farmers for the barley plebiscite. The following is a point-by-point fact-based response.

**Penner:** The key words to remember here are "inaccuracies" and "fact-based response."

**CWB:** The following statements are excerpts of a paper written by Rolf Penner of the Frontier Centre for Public Policy and appear on the AAFC Web site in relation to the upcoming barley plebiscite:

*"Some believe the Canadian Wheat Board (CWB) should remain the sole Canadian buyer of malting and export barley. Others think it shouldn't exist at all. Voting for a policy that includes the CWB as a voluntary marketing option takes the broadest view, and gives producers the greatest flexibility and control over their businesses.*

*More competition for barley means buyers (including the CWB) will have to keep a lid on costs as they work hard to get you the largest margins possible. Growers of malt barley stand to benefit the most from increased flexibility [. . . .]"*

More competition for farmers' grain between handling companies in Western Canada may mean lower system costs, but will certainly mean lower selling prices as merchandisers compete for customers' business.

End-use customers won't have to pay more in a multiple seller environment. In fact competition will be a good thing for them. When customers are buying your grain they will want as many sellers as possible, so they can shop around for the best value among competing sellers.

**Penner:** This demonstrates a complete misunderstanding of the common fundamentals of marketplaces. By their very nature, they are multiple-buyer and multiple-seller environments in which competition disciplines the activity in the market. That keeps everyone honest and makes competition good for buyers and sellers alike. Since for the most part we don't have competition in Board grains, for the CWB to claim a separate set of rules and circumstances applies only to buyers and another only to sellers is grossly misleading.

Under the current CWB single-desk system, no similar function exists to discipline the Board. In a multiple-buyer environment, buyers have to compete for farmers' grain, and they don't get it by offering to pay less than their competitors for the same product. The CWB doesn't have to worry about this, because it gets the grain regardless of what price producers eventually receive for it. All we have to verify that the CWB gets the best price is blind faith.

**CWB:** Today, buyers can't play that game. That's because if, for example, a Japanese miller wants to purchase No.1 13.5 CWRS today there's only one place to call — the CWB.

**Penner:** While it is true that Japanese can only acquire Canada Western Red Spring from the CWB, the CWB is not the only supplier of high-quality wheat in the world. Other countries grow wheat with the same specifications; they just don't call it "CWRS," but the Japanese are just as happy to buy from them.

According to the CWB's latest [annual report](#), it handles 11.1% of the global trade in wheat. That's down substantially from recent years when it was at 15%, and ten years before that, it was in the 20% range. No one can exercise market power with only 11% market share, and falling. With barley that's even worse; the CWB had only a 7.8% share of the global barley trade in 05-06.

The CWB should be able to get higher prices for durum wheat since it has a 49.8% market share with it. However, [reports out of Algeria](#), an important durum buyer, quote Mohamed Kacem, the Director General of the Office Algérien Interprofessionnel des Céréales as saying they get Canadian durum at ". . . preferential prices, which save Algeria *tens of dollars per tonne* purchased." (emphasis added)

One should also note that the CWB decided to make the argument here with wheat when the essay it is attacking talked about the Board's role in marketing barley. Perhaps the CWB recognizes that this argument is completely irrelevant when applied to barley.

**CWB:** In an open market the miller would contact grain companies A, B and C, specify the grain they're looking for, and then compare the offers and select the lowest price.

**Penner:** And if millers D, E, and F were paying higher prices, then millers G, H and I wouldn't get any grain. In real life, there is more than one miller. There are all sorts of them, and they all compete for grain to mill. That's what the term multiple buyers means, that there are more than one. The CWB also forgets that, all other things being equal, grain sellers, including farmers, seek out the highest possible price, not the lowest.

**CWB:** Analysts say moving to an open market system could cost farmers between \$10 and \$30 a tonne as a direct result of the loss of farmers' market power over customers.

**Penner:** What analysts? If one wants to counter with factual claims, one should list the source. The Federal Grain Transportation Monitor, a public information source that anyone, including the CWB, [can access online](#), reports that the cost of exporting Board grains is \$17.00-30.00 per tonne higher than the cost of exporting canola, which is functioning in a multiple-seller, multiple-buyer market.

**CWB:** *"A simple review of published prices shows that the CWB pool price for malt barley has been below the North American price for almost ten years. Often maltsters look for very specific quality parameters for specific customers. The current system doesn't allow for prices that differentiate according to these specifications."*

The "North American price" refers to the CWB's own series of prices paid by maltsters for barley used for domestic malt. This is not a correct comparison because there is not a legitimate set of malting barley data that exists showing what farmers would receive in an open market.

**Penner:** The fact remains: the CWB pool price that farmers receive is lower than the card price that domestic maltsters pay the Board.

**CWB:** A 2005 study conducted by Schmitz, Schmitz and Gray simulates the total revenue from barley sales (feed and malt) farmers would have received in an open market during the period from 1995-06 through 2003-04 and shows producers received \$59 million more per year than they would have in an open market environment.

**Penner:** The Schmitz, Schmitz and Gray study is seriously flawed and its theoretical conclusions are erroneous. They categorized CWB sales by destination country and then compared the weighted average prices paid by those countries. They found Japan consistently pays higher prices than other countries. They concluded that the only plausible reason was that the CWB “price discriminates” into those markets. From this they worked up an economic model to come up with the theoretical \$59-million benefit over a multiple-seller market environment.

This conclusion is false. If one did the same analysis with canola, one would get a similar result, that Japan pays more than other markets. That’s because Japan buys commodities on a steady year-round basis while others – like China and Mexico – only buy when prices are low. If the same results occur in a multiple-seller market, it cannot be stated that the CWB gets its results from “price discrimination.”

In addition, it appears that Australia gets more for their barley going into Japan than we do. If the Australians get consistently better prices than we do, the only conclusion is that they are getting preferential prices, not us. This information can easily be found in the [2004 Sparks Barley Study](#) from which Schmitz, Schmitz and Gray borrowed heavily. Why would they purposefully ignore data that we know they saw?

**CWB:** Meanwhile, the domestic malt is a premium market limited to about 15-20 per cent of the pool only. Therefore, by definition it will be at a premium to the pooled price.

***“In an environment of choice, Canadian maltsters will be able to provide appropriate signals directly to producers. When they need to attract acres, they will be able to do so through price and quality indicators and directly contracting with farmers. Currently, high prices in the feed market in years of shortage encourage farmers to sell malting barley for feed.”***

Maltsters do originate malting barley with the specifications they require, such as low protein. In fact, a variety of premiums and incentives are offered through both the CWB and from maltsters themselves in order to ensure producers receive appropriate signals and maltsters are able to attract the quality of grain they require.

**Penner:** These incentives are minimal at best, and a far cry from what is needed. Furthermore, they are clearly not working. The evidence is that farmers preferring to sell premium malting barley for feed in times of short supply, such as in the current year. If the appropriate signals were getting through to them, this would not happen.

**CWB:** ***“That forces Canadian malt plants to import foreign barley [. . .]”***

Two Canadian maltsters imported 53 000 tonnes of EU malting barley in 2002-03 . . .

**Penner:** Correct.

**CWB:** [. . .] because the right quality was not available in Western Canada.

**Penner:** Incorrect and self-contradictory. The CWB says later that, "*Barley has the largest seeded acreage after wheat of all crops on the Prairies, and 70 per cent is sown to malting barley varieties.*" They also claim that insufficient amounts of it met the proper specifications in 2002/2003. At the time, Canadian maltsters said the barley was available from Canadian farmers, but that they couldn't access it due to inadequate price signals, which is why they had to import.

**CWB:** The maltsters in question paid exorbitant prices for that barley – in excess of an estimated \$300 per tonne – and for those prices could have their choice of any barley in Western Canada.

**Penner:** Notice that the CWB just said in just the previous sentence that the barley was "not available in Western Canada." Now it implies that it was. Which was it?

In the 02-03 crop year, barley was in short supply and prices reflected that. Farmers chose to sell their malt barley into the feed market because it gave them a better price than the malt market accessed through the Board. If Canadian farmers had been offered the \$300 a tonne premium, the maltsters wouldn't have had to import barley. CWB pricing policy interfered with this basic functioning of the market.

**CWB:** *"Recently malt plants have been built or expanded just south of the Canada/U.S. border because maltsters could not source directly from producers here. Choice would mean no longer forgoing malting premiums in favour of the domestic feed market and thereby leading to increased malting in Canada."*

Canada's malt capacity has approximately doubled over the last two decades, while in the U.S., it has recently declined.

**Penner:** The comparison of a long-term, twenty-year time frame and an unknown, short-term time-frame is not valid.

**CWB:** Plants recently located in the U.S. (Great Falls and Idaho Falls) were attracted to the U.S. by generous government incentives and distinct freight advantages to their target markets in the south-western U.S. and Mexico.

**Penner:** Again, we see a contradiction from the previous sentence to this one. How is it that malt capacity in the US is "recently declining" while at the same time plants have "recently located" there?

The answer is that it hasn't been declining. In 2004, Anheuser-Busch doubled its capacity to 16 million bushels and Grupo Modelo, or Corona, built a 6.5-million bushel plant, both in Idaho Falls. Around the same time International Malting Corp built a 20-million bushel plant at Great Falls, Montana.

It's unfortunate that these companies did not build in Canada, with our many natural advantages. Those include an ample supply of high-quality water, lower building and operating costs and provinces willing to compete with incentives. The main barrier for these companies is their inability to contract directly with Canadian farmers. Incidentally, during the same time frame Canada Malting has been cutting back on its capacity.

**CWB:** *"A choice environment for malting barley would provide farmers with an opportunity to capture some of the highest returns in comparison with other crops."*

This is strictly opinion and ignores a large body of work by independent academics that concludes farmers receive higher returns through the CWB.

**Penner:** When the CWB itself commissions and pays for studies and then cites those studies as evidence, they cannot be honestly labelled as "independent." The CWB then ignores the large body

of work presented in studies that are actually independent – that is, paid for by someone else. They can be found [here](#) and [here](#), and actual, real-world price comparison data can be [found here](#), [here](#) and [here](#).

Any fair reading of the evidence presented demonstrates that my “opinion” is backed up by a substantial body of work, facts and real-world numbers and can hardly be considered as strictly my own.

**CWB:** *“Canada is ideally suited for barley production, yet we are not maximizing our potential. An inflexible marketing structure and poor market signals are prime reasons. Greater flexibility would see growth of this high-value crop.*

*In feed barley, a dual market of sorts already exists. Domestically farmers can sell to whomever they wish, including the CWB. In a market-choice scenario, this would extend to include export buyers. Sometimes foreign markets are willing to pay more than domestic ones. Opening this dynamic to competition will quickly lead to increased opportunities for better margins closer to home.”*

Barley has the largest seeded acreage after wheat of all crops on the Prairies, and 70 per cent is sown to malting barley varieties.

**Penner:** Finally, a verifiable fact. But it doesn't show how we Canadian farmers are maximizing our potential. We are not. Under the CWB's single-desk, barley prices are lower than they otherwise would be, costs are higher than they should be, and farmers aren't getting proper market signals, because in times of shortage, like this year, they are still selling premium malting barley for more money into the feed market.

They are playing the malt barley “lottery” by growing lower-yielding malting barley varieties instead of higher-yielding feed varieties in hopes of making more money selling it for malt. Then they wind up selling it for feed.

**CWB:** *“A voluntary market, it is often argued, would mean the end of the CWB. Yet many examples show this to be untrue. For instance, post-monopoly, the provincial pork marketing agencies on the Prairies enjoy continued producer support, healthy market shares and positive growth. Farmers support these organizations because they have worked hard to be competitive and have earned their business.”*

Comparing hogs to barley is worse than comparing apples to oranges. Pork marketing agencies do not need to rely on their competitors' handling facilities to run their business. The CWB would.

**Penner:** Here again, we see a lack of knowledge of competitive markets. The CWB employs a fundamental premise that it never fully explains when it is compared to something else. That premise is that somehow CWB grains on the Prairies are different from everything else and everywhere else in the world. They aren't.

There are lots of pieces in the chain that leads to the food on one's plate, all of which are necessary, but do not necessarily have to be owned or “controlled” by one entity. From plant breeders to seed suppliers, to combine manufacturers and elevators, truckers, ships, and processors – the list goes on and on. The pieces are slightly different for livestock, but the overall [principle is universal](#). Everyone in the chain has to negotiate terms and make deals with other players. The CWB no more needs to “control” handling facilities than it does to own a single Panamax ocean freighter. Just as the pork boards found, one does not need a government-guaranteed supply of product to do the business of marketing.

Part of the problem here is the CWB culture that views everyone in the chain as a “competitor,” rather than a valuable and necessary partner.

**CWB:** In a voluntary environment, the CWB could theoretically resurrect itself as a grain company, but like any grain company, it would require its own handling facilities in order to function. And it would be a much different organization than the one farmers know today.

**Penner:** Who said the CWB has to be a grain company? It should be and can be what it is today – a marketer, a negotiator and a middleman who works on behalf of farmers. The CWB is in a much better and more flexible position because it doesn't actually own handling facilities and is therefore not tied down to them. Given the excess handling capacity on the Prairies, it is well positioned to drive hard bargains among existing handling companies and to negotiate the best deals for moving grain to the highest-value markets.

**CWB:** Losing the single desk would mean losing the clout that the CWB leverages in order to maximize returns for farmers.

**Penner:** When you work it back to real-world farm-gate returns, there is no evidence of that clout or leverage. Empirical evidence all points towards higher costs and lower margins for western Canadian farmers under the CWB single desk.

**CWB:** *“The positive relationships that the CWB has with end-use customers will allow it to continue as an effective marketer in both international and domestic markets and will continue to be a real choice for producers. The CWB has a relationship of trust with many growers; these relationships have value and provide solid reasons for farmers to continue working through the CWB.*

*In a choice environment, the CWB will be a marketing agent for farmers and not a competitor with the grain companies. The CWB will be expected to exploit its offshore relationships to make sales.”*

Loyalty is earned through performance. If CWB grain took second priority to the grain of a competing marketer in that marketer's handling facilities – for instance, if the competitor's grain were to be moved first after an avalanche, or if the competitor's barley were commingled so as to have better colour than CWB grain[ . . . ]

**Penner:** If you make a contract with someone to get a specific product to a specific place at a specific time, and for whatever reason that party does not or cannot do it, he or she is the one responsible. Is the CWB suggesting that it will not use all of the tools that the rest of Canadians employ to ensure that contractual obligations are met?

Who are they trying to fool? Right now, when it comes to CWB grains, farmers take the risk and bear the cost of not getting the product to port on time. With non-board grains, farmers are paid up front and grain companies bear the risk of any unforeseen costs.

**CWB:** [ . . . ]he CWB's performance would suffer. So would reputation, business and then market share. Farmer loyalty would not be far behind.

**Penner:** To repeat, in its current form the CWB is not doing a particularly good job with respect to performance, market share or farmer loyalty. Its [own poll](#) from last spring shows that a lot of farmers are not particularly happy with its current performance.

**CWB:** *“And, supported by many farmers, the CWB will be able to negotiate competitive handling rates and terms with many of the grain companies as they compete to handle this grain. The CWB will provide farmers a strong negotiating position with these companies.”*

Grain companies may or may not use their handling rates to price the CWB out of the market initially. However, at the same time as they are handling grain for the CWB, they will most certainly be working hard to make inroads into the same markets. Once they do, who will guarantee that these companies will continue to provide fair handling rates and good service for a key competitor – especially at the expense of their own bottom line?

**Penner:** Competition among various handlers and their desire to move more grain will keep costs in line. Overcapacity in the grain handling system is an established fact. In 1995-96, we had 19 primary elevator firms; today we have 35. This bodes well for the CWB, as grain companies will be competing aggressively for wheat board business. Few, if any, would have the luxury of turning down the chance to handle extra grain. The Board needs to start thinking about itself as a value-chain deal-maker, not as a direct competitor.

**CWB:** *“Numerous studies from a diverse body of researchers favour choice. Economists Carter and Loyns found that it “. . . would raise farm income. . . .” The market analysis company Sparks saw “substantial opportunities” if the industry were “unimpeded.” An agricultural think tank, the George Morris Centre points out “. . . mandatory organizations in Canada that have moved to voluntary status have actually become stronger marketing organizations.” One of the key recommendations by authors of the 2006 Market Signals Report was to “allow marketing choice in barley.”*

Of the four studies referenced by Mr. Penner, two were paid for by the Alberta government, and three were not submitted for peer review. In contrast, there are 17 studies concerning the CWB and barley covered in (even the abridged literature review in) the 2005 Schmitz, Schmitz and Gray barley study. The majority are peer-reviewed.

**Penner:** The fact that two of the studies I cited were paid for by the Alberta government and not by the CWB – like the 2005 Schmitz, Schmitz and Gray barley study – means that they were done at arm’s length and are therefore well worth a look. There exist, of course, many more studies than four, and I referenced them earlier.

To claim that the CWB-sponsored studies have been “peer-reviewed” is to change the definition of the term. For an agricultural economist, that would mean the report had been published in a professional journal – such as the *Canadian Journal of Agricultural Economics* or the *American Journal of Agricultural Economics* – with all the rigorous discussion that accompanies that event. Normally, the same processes and modelling techniques would be used for other commodities to test the validity of the research concept. This was not done with the CWB’s studies.

While technically the Sparks barley study was not peer-reviewed either, it was held up to a much higher level of scrutiny, one that involved seeking the opinion of those working in the industry. It was presented to all members in the barley supply chain several times with little criticism, except from the CWB. It has been cited by others many times, including the authors of the Schmitz, Schmitz and Gray study.

Additionally, and most importantly, all of the data and methodology in the studies I cited can be readily verified and duplicated by anyone. That’s not the case with the studies sponsored by the CWB. They use data that is kept closely guarded as secret, which makes the numbers unverifiable and conclusions drawn from them useless.

**CWB:** *“A vote for choice is one that respects everyone's rights, and does not place one group of farmers ahead of another. Farmers who want to sell to the CWB can continue to do so and those who wish to pursue other avenues can do so as well. That is a basic Canadian freedom enjoyed by growers of every other crop except Prairie wheat and barley, and it serves them well.”*

Many Canadian cattlemen who dealt with rock-bottom prices during the BSE crisis while packers reaped record profits would disagree that the free market – usually dominated by a handful of multinationals – serves farmers well.

**Penner:** Here the CWB – a “single buyer” – argues that having fewer buyers around is a bad thing. That is the reason why a significant number of farmers want out of the CWB’s single-desk; they want more choice and more players, not fewer. Obviously a government-legislated single desk does not accomplish this. If fewer are bad, one is worse.

Does the CWB have any idea what a free market is? The BSE crisis was created by direct government interference in the market place. A politically created crisis is not an example of the “free market” at work; it is an example of the opposite. This statement also begs the question. If the entire international community refused to buy CWB grains on the grounds of public-health concerns, how would the existence of the CWB single desk change the outcome? It wouldn’t make a bit of difference. The whole argument is a complete red herring.

Furthermore, it is completely hypocritical for the CWB to criticize me for using livestock as an example – see above, “Comparing hogs to barley is worse than comparing apples to oranges.” – and to do the same thing in the next breath. If I can’t cite the success of a free market in hogs, why is it all right for the CWB to allege the failure of a free market in cattle?

**CWB:** Meanwhile, growers of wheat outside the designated area are under the same “restrictions”, in the sense that the marketing system is chosen by a majority of farmers.

In both Ontario and Quebec, farmers have had the right to choose their marketing systems. In a 2005 province-wide producer vote, Quebec farmers established a single desk for Quebec-grown wheat destined for human consumption. The Fédération des producteurs de cultures commerciales du Québec (FPCCQ) is now in its second year of operation. And it was through a producer vote that Ontario decided in 2003 to move away from a single desk for wheat to an open market.

**Penner:** This argument is irrelevant. Nowhere in my essay do I argue that this issue should not be decided by a vote. Indeed, I make the case why farmers should vote for choice. The CWB should stick to the topic instead of setting up straw men to shoot down.

Incidentally, the producer vote in Québec required that 2/3 of farmers to vote in favour of compulsory marketing. Does this then mean the CWB would support the elimination of its monopoly if it doesn’t get two-thirds of farmers’ votes?)

**CWB:** *“A vote for choice is not a vote against the CWB. It is a vote that acknowledges there is more than one way to successfully market barley and that no single way works best for everyone all the time. No two farmers are exactly alike and neither are their business requirements or marketing strategies.”*

There is no more appealing concept than ‘having your cake and eating it too’. Unfortunately, facing several enormous obstacles (such as having no physical assets) a “strong, viable CWB” just is not possible. Removing the single desk would remove the key competitive edge the CWB leverages in order to maximize returns for western Canadian farmers.

**Penner:** The CWB clings to the myth that it can’t function without the security blanket of the single desk. That is simply not the case. Many, many successful marketing agencies started and successfully continue to operate without a captive supply chain. At one time, the CWB claimed that it would crumble if all its sales were not pooled. It now offers farmers pricing options outside of the pool, and even brags about them. Yet the sky did not fall. Why should we believe them now?

**CWB: “Choice will allow individual farmers to match their own personal skill-sets, strengths and tolerance for risk with the marketing system that they see working best for them. This is why you should vote in favour of marketing choice.”**

The CWB has recognized farmers' desire to manage risk based on their individual business needs. That's why the CWB's farmer-elected directors asked management to devise the Producer Payment Options (PPOs).

**Penner:** Actually, the CWB hasn't recognized farmers' desires to manage their own risk. In 2006, [its own survey](#) showed that 46% of farmers wanted the dual-market option and a full 19% didn't want the CWB around at all. That's 65% who aren't happy with the status quo; they want change and they want choice. A restaurant that adds a couple of items to its dessert menu and one to its appetizer list does not satisfy a customer's desire to dine at other restaurants.



[Rolf Penner, Agriculture Policy Fellow](#) is Canada's most “hands on” think tank based farm policy commentator. He is a successful third generation farmer who operates an 1800 acre mixed farm near Morris, Manitoba. His farm is soundly diversified into two parts, half the operation consisting of feeder hogs and the other cropland. Both of which have consistently grown in size, sophistication and scope. He owns a 2000 head hog barn and also operates two more 2000 head hog barns in partnership with 3 neighbours. Crops rotated on his land include wheat, oats, barley, timothy, flax, rapeseed, canola, alfalfa, peas, lentils and sunflowers. He sits on various agriculture industry committees. As a producer delegate with the Manitoba Pork Council he received an education award in 2002. His many practical skills include the general maintenance and operation of heavy machinery, welding, carpentry, electrical work, basic veterinary care, marketing, accounting, and computer work. He graduated from the University of Manitoba with a diploma in Agriculture in 1988. Rolf is a frequent media commentator on agriculture issues and writes frequently in a range of daily, weekly and monthly newspapers.

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[See item 3- Special deals revealed](#)

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