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Grain and Feed

Organic Farmers Try to Bypass the CWB

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Report Highlights:

Western Canadian organic grain growers are seeking an exemption from the Canadian Wheat Board's buy-back program. In the 1998/99 crop year, organic sales were 16,000 metric tonnes, but in the 1999/2000 crop year, organic wheat and durum sales are expected to be 22,000 metric tonnes.

Includes PSD changes: No
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Organic Farmers Want to Bypass CWB

The following was taken from an April 27 Western Producer article. Please note that all values are in Canadian dollar currency if not specified otherwise. Begin text.

Allowing organic grain to be exempt from the Canadian Wheat Board's buy-back program would be the easiest way to streamline sales of organic grain, farmers told wheat board officials.

But since an exemption isn't likely to happen any time soon, producers said they are willing to work with the board to streamline the buy-back process.

"Exemption is the preferred option," said Mike Dolinski, Alberta Agriculture's organic specialist, "but to think it will happen before the next crop year is dreaming in Technicolor."

While continuing to lobby for an exemption similar to pedigreed seed growers, who are not part of the buy-back program when they sell certified seed, organic farmers want something done to streamline the cumbersome system.

The buy-back system is daunting, said most of the organic producers at the meeting. They refuse to grow wheat and barley so they don't have to deal with the board. Only Steve Snider, an organic producer from New Norway, Alta., has used the buy-back program and he attested to its foibles.

A producer sells his grain to the board for the initial price and buys it back at the wheat board's daily market price for that day. The farmer is eligible for any interim and final payments.

Under the program, farmers must get a cash ticket from one of the main line grain companies that charge anywhere from \$5 to \$16 per tonne of grain for a few minutes work.

Tom Halpenny, farm policy adviser with the Canadian Wheat Board in Saskatoon, said organic grain makes up less than one percent of the board's wheat and barley sales, but the sector is growing, Halpenny said.

"There is significant market growth in the organic industry," he told farmers. In the 1998-99 crop year, organic sales were less than 16,000 tonnes, but in the 1999-2000 crop year, wheat and durum sales were expected to be 22,000 tonnes.

"All our current forecasts say it will continue to expand."

Of the 22,000 tonnes, only about 4,000 tonnes are sold through individual farm sales. The bulk of the sales are made through large grain companies like Saskatchewan Wheat Pool and Paterson, both of which have organic grain elevators in Saskatchewan.

Halpenny said some of the board's traditional export markets have shown interest in large lot sales of more than 5,000 tonnes, which would be difficult to fill.

"Frankly there is a lot of interest in domestic markets and the U.S.," he said.

Walter Walchuck of Edmonton said he would like the board to look after large lot sales, but make it easier for producers who want to sell direct to customers.

Victor Chrapko of Brosseau, Alta., said while the organic industry is small, it can command large premiums. But those premiums will be erased if the large grain companies think there's money to be made.

"We're not going to have a hope," said Chrapko, who wants to encourage the wheat board to look for markets for organic grain.

"We have to have someone on the world scene to see these markets. I want to grow the stuff, I don't want to market it. There's no way I can compete on the world stage with the multinationals."

Wheat board directors Art Macklin and Jim Chatenay were at the meeting to listen and learn about the organic grain industry. Neither is an organic producer.

While sympathetic with the producers' difficulties with the board, Chatenay said he thought it was unlikely organic producers would see an exemption soon. They'll have to line up behind feed grain users and pasta producers who also want exemptions.

"This exemption thing is an extremely delicate thing."

Macklin said a policy decision on how to handle the growing organic market won't happen until more discussion takes place with the organic sector. End text.

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