



# *What's the Future of the Prairie Grain Industry?*

**Special Session  
Crop Production Week  
January 11<sup>th</sup>, 2006  
Saskatoon SK**

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

# *Present Challenges for Grains and Oilseeds*

- In competition with countries that have combined *strategy* with their *treasury*
- Canada has not competed equivalently – strategy focused on export dependence
  - No incentive for a domestic use strategy
  - No focus on use of treasury to invest (as opposed to perceiving use of treasury as a *cost*)
- *Result:* Have not provided incentives for Canadian agriculture to be a *value industry*


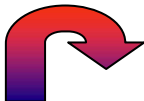










## *So, how have we reacted?*

- Have allowed value-adding advantage to move south
  - Cheaper to move animals to feed than feed to animals
  - Rest of the value (jobs, people) have moved, too
- Initiated countervail on US corn in response to impacts of US Farm Bill
  - Canadian grain producers needed a defense against cheaper, subsidized product coming into Canada

# *Is this the solution for CDN G&O? SHORT TERM*

<i>How is your Revenue impacted...?</i>	<i>If we... Do Nothing</i>	<i>If we... Apply Countervail on US Corn</i>	<i>If we... Provide Comprehensive Support for Primary Production</i>
Corn producers			
Feed grain producers			
Hog Feeders/Cattle Feeders			
Processors			
<i>What is net benefit to Canada?</i>			

# LONG TERM

<i>How is your Revenue impacted...?</i>	<b>Do Nothing</b>	<b>Countervail on US Corn</b>	<i>Comprehensive Support for Primary Production</i>
Corn Growers			
Feed grain producers			
Hog Feeders/Cattle Feeders			
Processors			
<i>What is net benefit to Canada?</i>	<i>No Industry</i>	<i>No Industry</i>	

## *Careful what you ask for...*

- Should the Canadian corn countervail action persist, we have successfully put the rest of the industry at jeopardy
- One perfectly clear example of an incomplete (and *flawed!*) strategy to deal with subsidies of our competitors
- Without a complete, comprehensive strategy, *where do we look for help?*

## *What are our options?*

- Canada will need to continue to depend on export markets
- WTO is attempting to rectify subsidy imbalances – *is there any credibility in this?*
- As high cost producers, Canada needs to ensure don't just achieve market access – *without a competitive support mechanism*
  - Will leave our markets vulnerable to high-subsidizers &/or low cost producers

***We cannot compete against subsidized product***

# *What are the better options?*

- Look at our industry similar to how the US looks at theirs
  - As a value industry, where grains and oilseeds are suppliers to the rest of the industry
  - As a chain that is only as strong as its weakest link
- Must build profitability in our own economy
  - Focus on creating and maintaining consumption of our own product
  - Focus production on supporting that consumption
  - Focus on profitability at all levels



# *Strategy...Strategy...Strategy*

- There are things we can attempt to achieve in the global market, BUT...
- We can have some wins with our own domestic policy
- We have some priorities for domestic policy that we can build on – environment, food safety, economic growth

*Let's build these together – let's be  
STRATEGIC!*