



June 17, 2019

Honourable Marie-Claude Bibeau
Minister of Agriculture and Agri-Food Canada
1341 Baseline Road
Ottawa Ontario
K1A 0C5

Via email - Marie-Claude.Bibeau@parl.gc.ca

Dear Minister Bibeau,

The Western Canadian Wheat Growers advocate on behalf of wheat growers from Alberta, Saskatchewan and Manitoba. We are independent of the respective commissions and speak freely on behalf of our members who farm millions of acres across Western Canada. We are funded solely by our members and corporate sponsors, without any funds through the provincial check-off programs.

Canadian grain farmers have been amongst the most progressive early adopters of innovative ag-technology and farming practices in the world. The movement to state-of-the-art minimum and no-till farming, advanced land and water management as well as careful application of our inputs has truly ensured that Canada can contribute to the global food supply and act in a strong environmentally sustainable manner.

The Wheat Growers have long stood for strong market access and minimal government interference. Our members have invested in their land, equipment and technology on the basis that our export markets are stable ever-growing. Unfortunately, this premise has not held strong.

Over the past 36 months, we have witnessed non-tariff barriers blocking our durum exports to Italy, Saudi Arabia, Peru and Vietnam. In related crops, our pulse exports to India are similarly being blocked. Most recently China, our biggest customer for canola, has created barriers to our exports.

Recently, the United States administration announced \$16B in subsidies primarily for soybean growers and this is in addition to the \$12B that was announced less than one year ago. The spillover effect of these subsidies greatly impacts wheat, corn and other commodities.

Crop rotation is imperative to our land and input management. When one of these important crops are blocked or suffer from any trade barrier, it impacts all other crops. In turn, this creates dangerous turmoil in the commodity markets, causing financial losses as well as the inability to undertake bona fide long-term planning.

In recent months, our members have dejectedly watched as our federal government has offered direct subsidies to the dairy, poultry and the meat sector. The proposed changes to the AgriStability program and expanding the interest-free portion of Advance Payments Program do not provide either financial or market stability for the grain, oilseed or pulse sector.

The Western Canadian Wheat Growers, strongly believe in free-market trade. We eschew subsidies and non-tariff trade barriers. However, we recognize that when our competitors and export markets are not playing by these same rules, that our federal government must respond with all the political tools available. It is the duty of the federal government to ensure that our trade markets remain open, barrier free and that new markets are always being explored. We ask very little of government, but we do expect this of you.

We call upon the Canadian Federal Government to immediately resolve these political issues through whatever diplomatic and legal actions necessary including trade retaliation, all the while working with global institutions, such as the WTO, to strengthen the governing rules and enforcement mechanisms. For example, it is incomprehensible to our members why Canada has not appointed an Ambassador to China. We have been without an Ambassador since January 25, 2019, almost five months during what has been one of the most difficult trade situations with one of our major trade partners.

We do not want to see additional countries added to the long list of places that we cannot sell to. We simply cannot afford to lose more trading partners.

It is clear from the non-tariff trade barriers with the six countries listed above that our federal government is failing to protect our market access. It is apparent from this growing list of trade barriers that our Canadian government is not doing the single most important thing it could do for farmers.

Since the non-trade tariff trade barriers have been implemented, the estimated market losses are:

<u>Country</u>	<u>Commodity</u>	<u>Year</u>	<u>Approximate Loss</u>
India	Lentils	2017	\$ 590,952,000
Saudi Arabia	Wheat	2018	\$ 65,794,000
Vietnam	Wheat	2018	\$ 118,822,000
Peru	Wheat	2018	\$ 87,889,000
Italy	Durum	2017	\$ 189,526,000
China	Canola	2018	<u>\$2,700,000,000</u>
Total			<u>\$3,752,983,000</u>

These are significant losses to our Canadian agriculture sector and constitute a crisis in the agriculture industry. Should these trade issues continue, farmers will require compensation. We do not say that callously or with greed. We say this out of utter frustration with the lack of support we have been shown.

The current agri-business insurance programs do not cover the losses that farmers all across Canada are experiencing and a committed effort to improve these programs is only a start to meeting our financial needs. The recently announced changes to crop insurance exports through EDC is a step in the right direction. The overall crop insurance programs need to be reviewed and improved in cooperation with the provinces.

Farmers need to know what the federal government's plan to address these issues in a timely manner. Grower and market confidence is waning and we respectfully ask for the federal government to restore that confidence.

On behalf of our members, we thank you for the opportunity to express our strongest concerns. Farmers are anxiously watching how their federal government responds to these market challenges and the actions that they will take.

Our Board of Directors stand ready to contribute to any consultations and decision-making that these issues require. We look forward to your earliest response.

Yours truly,

A handwritten signature in black ink, appearing to read "Gunter Jochum", is written over a light gray rectangular background.

Gunter Jochum
President