

RESEARCH FUNDING | FUNDRAISING

Alternative to CWB check-off collection sought by foundation

The Western Grains Research Foundation is planning for life without the Canadian Wheat Board.

Acting executive director Terry Scott said a federal government decision to end the wheat board's marketing monopoly on wheat and barley will necessitate a new system of collecting checkoffs on board grain.

The board now deducts wheat and barley checkoffs from producers' final payments. Money is sent to the research foundation to develop wheat and barley varieties, primarily by providing financial support to cereal breeding programs at Agriculture Canada and the University of Saskatchewan's Crop Development Centre.

"With the changes to marketing through the wheat board... we will need an alternative method of collecting the checkoff," Scott said.

"We're going to be talking... to the federal government and with our member organizations and others about what that (alternative method) looks like.

"We're quite optimistic that we're going to form something that will be very good and quite possibly something even better than what we've got now."

Producer checkoffs for board grain are set at 30 cents per tonne for wheat and 50 cents per tonne for barley.

Scott said the most likely alternative would be to require private grain companies to collect the checkoff at the point of delivery.

The wheat board would also collect the checkoff if it continues to market grain in a post-monopoly environment.

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TERRY SCOTT

WESTERN GRAINS RESEARCH FOUNDATION

"There is no question that the Canadian Wheat Board has been an efficient way of collecting checkoff, but it is not the only way of collecting a checkoff," Scott said.

"Our objective is to have something ready that can be on the ground and ready to go (by August 2010) so we don't have an interruption in our check-off revenue stream"

Scott said planning a new collection system could also open the door for discussions about check-off rates and the potential for increasing producer investment in cereal breeding.

He said the research foundation's role in funding crop research has expanded significantly over the past few years, and there is a growing

appreciation of its work among producers and industry stakeholders.

Producers can request a refund, but more than 95 percent opt to leave their checkoff with the foundation.

Scott said a recent study estimated that each check-off dollar invested in cereal breeding produces long-term returns of \$12 to \$14.

"We think there's a return there to be had by investing in (cereal) research that is not totally being captured."

The foundation manages three funds: wheat fund, barley fund and the WGRF endowment fund.

The wheat fund has a reserve of \$12 million and accrues check-off revenues of \$5 to \$6 million a year from sales in British Columbia, Alberta, Saskatchewan and Manitoba.

The barley fund has reserves of \$1.3 million and accrues check-off revenues of \$1 million a year. The Alberta Barley Commission collects barley checkoffs in that province.

Wheat and barley checkoffs must be re-invested into wheat and barley breeding programs.

The endowment fund has reserves of \$91 million. Revenues come from a variety of sources, including railway companies whose earnings exceed the revenue cap. Investment earnings from the endowment fund finance research on all crop types.



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