

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

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## Canada

### *Marketing Freedom for Grain Farmers Act* Becomes Law

**Report Categories:**

Trade Policy Monitoring

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**Report Highlights:**

The divisive Bill C-18, also known as the *Marketing Freedom for Grain Farmers Act*, received royal assent and became law on December 15, 2011. The Canadian grain industry is moving cautiously towards forward price contracts for 2012-2013 wheat and barley crops. Legal challenges are still pending, however, and may slow the transition to the new marketing system.

### **Status Update on the Progress of Bill C-18:**

The divisive Bill C-18, also known as the *Marketing Freedom for Grain Farmers Act*, received royal assent and became law on December 15, 2011. The Canadian grain industry is moving cautiously towards forward price contracts for 2012-2013 wheat and barley crops as there are still legal challenges pending.

On Friday December 16, 2011, Canada's largest grain company, Viterra, issued a press release announcing that it is offering forward contracts to Canadian wheat, durum and barley producers for delivery after August 1, 2012. The Canadian Wheat Board (CWB) President and CEO, Ian White, also issued a press release stating that the CWB (which is now under federal control) has been preparing for the change over the last few months and that details about the new 2012-2013 programs will be announced soon. Other grain companies have not announced forward contracts yet and may be waiting for some of the legal issues to be resolved.

While the grain companies were making announcements regarding the new open market for Western Canada wheat and barley growers, eight of the former producer-elected CWB directors filed a court challenge in a Manitoba provincial court hoping to win an immediate stay of the new law. They are also asking the judge to strike down the new law on the basis that Canada's Minister of Agriculture, Gerry Ritz, did not follow the manner and form requirements specified in the *Canadian Wheat Board Act* before making changes to the CWB's single desk provisions. Manner and form requirements were that Minister Ritz hold a producer plebiscite to seek Western Canadian wheat and barley producer's approval for such a change. Judge Shane Perlmutter refused to grant an immediate suspension of the law and set hearings on the issue for January 17 and 18, 2012. At that time, he will decide on whether or not he will issue a stay of the law until he has considered the question of whether the new law should be struck down. As this court challenge was filed in a provincial court, a suspension of the law would only apply to Manitoba and not the rest of Canada. This court challenge builds on a federal court decision that the Minister of Agriculture breached the law by not holding a producer plebiscite; a decision the Canadian government is currently appealing.

### **Related Links:**

Viterra Press Release:

<http://www.marketwire.com/press-release/viterra-ready-for-new-marketing-environment-in-western-canadian-grain-sector-tsx-vt-1599632.htm>

CWB Press Release:

<http://www.cwb.ca/public/en/hot/decision/statement/>

Canadian Minister of Agriculture Press Release:

[http://www.agr.gc.ca/cb/index\\_e.php?s1=n&s2=2011&page=n111216](http://www.agr.gc.ca/cb/index_e.php?s1=n&s2=2011&page=n111216)