



**Alberta  
Barley**



January 11, 2019

The Honourable Lawrence MacAulay  
Minister of Agriculture & Agri-Food (AAFC)  
House of Commons  
Ottawa, ON K1A 0A6

Dear Minister MacAulay,

The cereal commissions of Western Canada including the barley, oat and wheat commissions from Alberta, Manitoba and Saskatchewan have attended many of the AAFC consultation sessions on “Value Creation.” The producers of Western Canada would like to thank the Minister and his staff for reaching out to producers on this very important issue. The issue of Value Creation and the two AAFC-proposed models of End Point Royalties and Trailing Royalties drive directly at the margins of Canadian producers. As expected, producers have provided our commissions with a lot of input on these proposals.

Canada has a strong public plant breeding system that currently integrates government and producer funding. All cereal commissions in Western Canada recognize the importance of variety development through public plant breeding programs and provide funding for variety development through provincially regulated levies that are mandatory yet refundable to producers.

Western Canada represents over 86%\* of the farmland in Canada and therefore this proposal has a huge impact on Western provinces. Many critical questions remain unanswered concerning which, if any, of the proposed value creation models best serve Canadian farmers. We believe the likelihood of AAFC/CFIA reaching industry-wide agreement on the two models as they have been presented is low. The lack of details, in addition to the lack of explanation of the value proposition for producers, will also result in AAFC/CFIA receiving continued negative feedback from producers in the next phase of consultations.

The cereal commissions of Western Canada have reached mutual agreement on the following points and we hope you will consider making changes to the on-going consultation process:

- There is a need to maintain, sustain and grow research.
- Additional consultation on value creation is needed with a focus on engaging producers with a new value proposition.
- Time and due diligence are needed for this very important issue. AAFC should take the time necessary to make sure it results in a solution that is in the best interest of producers.
- At the November and December consultation meetings, most producers were not in favor of the two options presented (end point royalties and trailing royalties). Producers put forward other options at the value creation consultation meetings that need to be included in the upcoming consultations.
- The commissions have been involved in value creation discussions for some time through the Grains Roundtable (GRT). There was no consensus on the two options being brought forward nor were either of these options “approved” by the GRT. This needs to be made clear by AAFC in the consultation process. When AAFC makes statements that the GRT brought these two options forward and asked for consultation of these options without providing other information to producers, AAFC is misleading producers to believe that these two options were approved by the commissions. More clarity is needed to state that AAFC chose to move forward with the consultations without direction from producers based on two, non-agreed upon options developed by the Value Creation Working Group of the GRT.
- The GRT requested that AAFC conduct an economic analysis of the two options prior to initiating the consultation process and this has not been done. Without this information, it is not possible for producers to make an informed decision on these or any other options that may be considered.

We thank you for your time and attention and await your response to this critical issue for Canadian agriculture.

Sincerely,




David Bishop, Chair, Alberta Barley



Kevin Bender, Chair, Alberta Wheat



Fred Greig, Chair, Manitoba Wheat and Barley Growers Association.



Art Enns, Chair, Prairie Oat Growers Association



Jason Skotheim, Chair, SaskBarley



Laura Reiter, Chair, Sask Wheat

Cc: Carla St. Croix, Director, AAFC  
Anthony Parker, Commissioner, Canadian Food Inspection Agency (CFIA)  
Peter Neufeld, Senior Policy Analyst, AAFC

\*Source: <https://www150.statcan.gc.ca/n1/pub/95-640-x/2016001/article/14807-eng.htm>