

CWB Comparison Chart

Single Desk CWB:

Saudi-Bunge CWB:

<p>👍 The single desk CWB was not a grain company -- it was a single desk selling agency.</p>	<p>👎 The privatized CWB will be one of a few big companies selling grain grown in Canada.</p>
<p>👍 All foreign customers had to deal with the single desk CWB to purchase Canadian wheat and barley.</p>	<p>👎 International customers for Canadian wheat can bid down the price by shopping around and the privatized CWB will be able to supply Saudi Arabia directly, completely bypassing the commercial market.</p>
<p>👍 The single desk CWB made money for farmers who then spent it in their communities and invested in their farms.</p>	<p>👎 The privatized Saudi-Bunge CWB will enrich itself and provide the Saudi kingdom cheap wheat to prevent another "Arab Spring" from threatening its absolute power.</p>
<p>👍 The single desk CWB ensured high quality wheat got to Canadian millers on time and at a fair price regardless of size.</p>	<p>👎 Canadian millers may resort to importing wheat from Eastern Europe due to poor service from private grain companies.</p>
<p>👍 The single desk CWB ensured efficient movement of grain to port by managing timing of shipments through orderly marketing – often getting a bonus for early loading -- and wielding the clout to discipline railways with ability to sue for non-performance.</p>	<p>👎 The Saudi-Bunge CWB will add to complexity, costs and confusion in grain transportation – unless it only ships cheap grain directly to the Persian Gulf via Bunge's Quebec City facility.</p>
<p>👍 Because the single desk CWB was the only seller, it was able to sell Canadian wheat for the highest price the customer was willing to pay and could set up long-term high-value contracts for the benefit of farmers and customers.</p>	<p>👎 The privatized CWB will compete with other grain companies, with the day's lowest price setting a benchmark customers will not want to exceed.</p>
<p>👍 The single desk CWB commanded high prices because it managed sales for the whole western Canadian crop, collecting wheat from all across the prairies and blending it according to individual customer specifications.</p>	<p>👎 As a private grain company, it buys low (from farmers) and sells high (to customers). Its margin is the difference between what it pays for grain and what it can get for it.</p>
<p>👍 The single desk CWB's goal was to obtain high prices in export markets and return all of the proceeds of sales to farmers (less operating costs) every year according to the quantity and quality of the grain each farmer delivered. It did not try to accumulate a surplus (and was not allowed to by law).</p>	<p>👎 Maximum revenues do not depend on the price of grain, but on the margin times the volume.</p> <p>👎 It is easier to increase margins by cutting costs than by increasing quality; price paid to farmers is a cost.</p>
<p>👍 Farmers received an initial payment and a final payment each year. The initial payment was based on an estimate of the crop's value; the final payment transferred the remaining balance to farmers at year-end, according to full amount paid by buyers.</p>	<p>👎 Farmers receive only one payment when they deliver grain. Once it is unloaded at the elevator the farmer has no further claim on the grain regardless of the price the grain company sells it for.</p>
<p>👍 The single desk CWB published its direct costs and sales results.</p>	<p>👎 As a private grain company, the Saudi-Bunge CWB will keep sales results secret and hide its costs in "basis" charges.</p>
<p>👍 Farmers democratically controlled the single desk CWB – elected farmers held the majority of seats on the Board of Directors – and they ran it for the benefit of all farmers, which in turn benefited the whole Canadian economy. The federal government ended the CWB's single desk authority in 2011, fired its farmer-elected directors and ordered that its assets be sold or liquidated by 2017.</p>	<p>👎 Farmers have absolutely no say in the running of the privatized CWB. The "Farmer Trust" will be run by appointed trustees; only one will sit on the 7-member Board. The Saudi-Bunge partnership has full power over the trust: it alone decides whether the "Farmer Trust" will continue after 7 years, whether the equity has any value and if any dividends will be paid.</p>
<p>👍 Tax dollars did not fund the single desk CWB: its assets were built from the value of farmers' grain and democratic management.</p>	<p>👎 The Saudi-Bunge partnership was given the physical assets, market network, good name of the CWB and future revenue stream of billions -- for a mere promise to invest \$250 million.</p>