

Operating Successfully in a New Grain Marketing Environment:

Issues Facing Farmers, Agribusiness and Government

December 11-13, 2011 • Saskatoon Inn • Saskatoon, SK

Conference Background The Federal Government has introduced Bill C-18 to end the Canadian Wheat Board (CWB) single desk effective August 1, 2012. The implications of this change for the grain marketing handling and transportation system are widespread if this legislation passes. Business arrangements and policies will need to be modified to accommodate the changes, to mitigate potential adverse impacts and to take advantage of opportunities created by the change.

Purpose The purpose of this conference is to lay out key issues that farmers, agribusiness firms and government will face in the grain marketing, handling and transportation system that will emerge after the passage of Bill C-18. With the changes that are underway in the grain industry, the status quo will not be viable. All the participants in the grain system will have to respond and adapt. This conference examines the areas most likely to see change and provides specific suggestions on how industry participants can respond.

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| Day 1 – Sunday, December 11 | | | |
| 7:00-10:00 PM | Registration in Hotel Courtyard (Wine & Cheese, Cash bar) | | |
| Day 2 – Monday, December 12 | | | |
| 7:30 AM | Registration | | |
| 7:30 – 8:30 AM | Continental Breakfast (in Conference Room B) | | |
| 8:45 – 9:00 AM | <p>Opening Remarks <i>Dr. Gary Storey, University of Saskatchewan</i></p> <p>Greetings from the Colleges <i>Dr. Mary Buhr, Dean, College of Agriculture and Bioresources, University of Saskatchewan</i></p> | | |
| 9:00 – 10:15 AM | <table border="1"> <tr> <td>Session One</td> <td><i>Chair: Dr. Gary Storey</i></td> </tr> </table> <ul style="list-style-type: none"> • How would a voluntary CWB Operate? • What are the requirements for a successful voluntary CWB? • Can the CWB meet these requirements? What is the experience with voluntary pooling in the grains sector in North America? • What marketing options would a voluntary CWB create? What functions will it perform? Is there a role for policy? <p><i>Lead speaker: Murray Fulton, University of Saskatchewan</i></p> <p><i>Discussant: Dr. Terry Veeman, University of Alberta</i></p> | Session One | <i>Chair: Dr. Gary Storey</i> |
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| REFRESHMENT BREAK (30 mins) | | |
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| 10:45-12 Noon | Session Two | <i>Chair: Dr. Derek Brewin, University of Manitoba</i> |
| | <ul style="list-style-type: none"> • What is the most effective design for futures markets wheat durum and barley? • What are the fundamentals of an efficient futures market? • Where should the delivery point be set? What are the merits of a west coast delivery point? What are the appropriate contract specifications with respect to grade, months of delivery and contract size? • What do policy makers and agribusiness firms need to do to ensure that a viable futures market emerges? <p><i>Lead speakers: Dr. Colin Carter and Mr. Joe Janzen, University of California, Davis</i></p> <p><i>Discussants:</i> <i>Mr. Dan Holman, North West Terminals</i> <i>Mr Brad Vannan, ICE Futures</i></p> | |
| LUNCHEON WITH GUEST SPEAKER (90 mins) | | |
| | <p>Luncheon Speaker “European Sovereign Debt Crisis” <i>Dr. Robert Lucas, Department of Economics, University of Saskatchewan</i></p> | |
| 1:30 - 2:45 PM | Session Three | <i>Chair: Dr. Eric Micheels, University of Saskatchewan</i> |
| | <ul style="list-style-type: none"> • How do we effectively use the ports of Churchill and Prince Rupert? • What are the incentives for the private sector to utilize these ports? • What is the likely impact on these ports? How much will sales through these ports change? • Are there profitable strategies for using these ports? Are there policy initiatives that would be desirable for the grain marketing, handling and transportation system? <p><i>Lead speaker: Dr. Barry Prentice, University of Manitoba</i></p> <p><i>Discussants:</i> <i>Mr. Sinclair Harrison, Hudson Bay Route Association</i> <i>Mr. Brad Chase, OMNITRACK</i></p> | |
| REFRESHMENT BREAK (30 mins) | | |
| 3:15 – 4:30 PM | Session Four | <i>Chair: Dr. Danny Leroy, University of Lethbridge</i> |
| | <ul style="list-style-type: none"> • How would grain related trade disputes be addressed? • How important have grain-related trade disputes been in the Canadian grains industry? What causes trade disputes? How have they been resolved? • Are we likely to see trade disputes in the new grain marketing system? • What steps should policy makers, farmers and agribusiness firms take to reduce the impact of trade disputes on the industry? | |

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| | <i>Lead speaker: Dr. James Rude, University of Alberta</i> | |
| | <i>Discussant: Dr. Andrew (Andy) Schmitz, University of Florida</i> | |
| 5:00- 6:00 PM | Cash Bar (Dinner is open – no banquet planned) | |
| 8:30 – 10:00 PM | Open Forum | |
| | Three topics to be discussed. Conference participants to post the topics that they would like to see discussed during open forum. Participants to post their names under the particular topic that they would like to see discussed and debated. Topics garnering the most interest will be selected and announced prior to conference closure at 4:30 pm day one. Each session to be 30 minutes, with the participant who posted the topic leading the discussion—approximately five minutes. | |
| Day 3 – Tuesday, December 13 | | |
| 7:30 – 8:45 AM | Continental Breakfast | |
| 8:55 AM | Opening Remarks for Day 3 Sessions <i>Dr. Gary Storey, University of Saskatchewan</i> | |
| 9:00 – 10:15 AM | Session Five | <i>Chair: Dr. Richard Gray, University of Saskatchewan</i> |
| | <ul style="list-style-type: none"> • How will grain quality be affected and managed? • What are the factors that determine the quality of grain sales, both domestically and to export markets? What has been the experience in the U.S. system? • How will these factors play out in Canada? How compatible are Canada-US quality systems? Is this important? • What can policy makers, agribusiness firms and farmers do to achieve the desirable quality level? <p>Lead speaker: Dr. William (Bill) Wilson, North Dakota State University</p> <p>Discussants: Mr. Elwin Hermanson, Canadian Grain Commission Dr. Brian Rossnagel, University of Saskatchewan</p> | |
| REFRESHMENT BREAK (30 mins) | | |
| 10:45 – 12 Noon | Session Six | <i>Chair: Mr. Bill Brown, University of Saskatchewan</i> |
| | <ul style="list-style-type: none"> • What will happen to rail freight rates and level of service? • What is the regulatory environment in the United States? What are the relevant freight rates in the United States for grain shipment? What level of service is being obtained? • Could the railways use market allocation systems for rail cars within a revenue cap? • What steps should farmers and shippers be taking to ensure that they have satisfactory access to railcars at a reasonable price? | |

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| | <p><i>Lead speakers: Dr. Richard Gray, University of Saskatchewan and Dr. William Wilson, North Dakota State University</i></p> <p><i>Discussant:</i> <i>Mr. William Drew, Transportation Consultant</i></p> | |
| LUNCHEON WITH GUEST SPEAKER (90 mins) | | |
| | <p>Luncheon Speaker “Bill C-18 and the Crop Logistics Working Group” <i>Mr. Paul Martin, Agriculture and Agri-Food Canada</i></p> | |
| 1:15 – 2:30 PM | Session Seven | <i>Chair: Mr. Doug Faller, APAS</i> |
| | <ul style="list-style-type: none"> • How will producer cars and short-line railways be used in the new system? • What have been the driving factors behind the use of producer cars and short line railways in Canada? Why have producer cars been predominately used for CWB grains? • What are the requirements for producer cars to be an effective tool for the marketing of grains? Are these conditions likely to be met? • What steps do policy makers, farmers and grain companies need to take to maintain the viability of producer cars and short line railways? <p><i>Lead speaker: Dr. James Nolan, University of Saskatchewan</i></p> <p><i>Discussants:</i> <i>Mr. Rob Lobdell, West Central Road and Rail</i> <i>Mr. Lonny McKague, Red Coat Road and Rail</i></p> | |
| REFRESHMENT BREAK (30 mins) | | |
| 3:00 – 4:15 PM | Session Eight | <i>Chair: TBA</i> |
| | <ul style="list-style-type: none"> • How will grain logistics and crisis management be handled? • How significant is the issue of limited rail capacity and limited port capacity at the West Coast? How do these capacity limitations affect grain logistics and crisis management? • To the extent that capacity is limited, what is the likelihood that this capacity will be used effectively and efficiently? • What mechanisms (e.g., bidding systems, pooling of rail cars at port) can be used to ensure that capacity is used effectively and efficiently, and that transportation and shipping crises are averted? <p><i>Lead speaker: Mr. Mark Hemmes, Quorum Corporation</i></p> <p><i>Discussant: Mr. William Drew, Transportation Consultant</i></p> | |
| 4:15 – 4:45 PM | <p>Summary and Conclusion – What did we learn? <i>Dr. Michele Veeman, University of Alberta</i></p> | |
| 4:45 PM | <p>Conference Adjournment <i>Dr. Gary Storey</i></p> | |