



LETTER TO THE EDITOR

“The Voice of Manitoba Farmers”

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Dear Editor:

As a farmer, I have to respond to your story about how high wheat prices are affecting consumers, (*Wheat prices hit historic mark*, December 19, page A5), so let's get a couple things straight. Ten dollar wheat on the futures market is not ten dollars in a farmer's pocket. Once freight and elevator costs are deducted, the actual money received is much less.

What happens between the farm and the store shelf has a lot more to do with the final retail price than the actual price of my commodity when it leaves the farm gate. The numbers given by the baker in this article are a perfect example of how farmers are being made a scapegoat for increasing food costs. The problem is that the math just doesn't add up.

We know that one bushel of wheat can be turned into about 20 kilograms of white flour, and this flour can be used to make about 57 loaves of bread. If the price that a baker pays for 20 kilograms of flour has increased by \$4.00, then the average price increase per loaf of bread is actually 7¢ -- much less than the 25¢ increase that the company has put in place.

Statistics Canada has also shown that the price that Canadian consumers paid for food between 1997 and 2003 increased by 13.8%, but the average price that farmers received increased by only 2.1%. The bottom line: The prices paid by consumers increased six times more than the prices that farmers received.

I'd encourage consumers to think critically about that loaf of bread and its real relationship to the price of wheat. When we see the international price of wheat drop and Manitoba's farmers are making less, has there ever been a decrease in the cost of bread at the supermarket that's been explained by saying, "The price of wheat is down and farmers are making less, so we've dropped our prices too."

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