



MEDIA COMMENTARY

“The Voice of Manitoba Farmers”

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High Grain Prices Not the Culprit

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Ian is available on his cell phone until noon today, and then after 5:00 pm.

Since grain prices began to rise in 2007, it seems like there is another news story every other week about how this is pressuring food prices upward. As a farmer, I believe it's about time that we're getting a fair price for our grain.

When our prices for wheat were at historic lows and farmers' incomes were at record lows, the price for bread or tortillas never dropped for the consumer. The people who were making bread and tortillas were able to charge a consistent price and get their raw products at very low prices.

Today, grain prices are finally at a sustainable level for farmers, and we're optimistic that Manitoba will have a good growing season so that we can capture them. This time of increased profitability will help farmers to catch up after a series of tough financial times that included years of negative net income, to reinvest in their operations for the future, and to set aside for future years. Good prices are also an incentive for young people to re-enter the farming sector, and this is critical at a time when our farming population is aging.

Farmers are asking consumers to think critically about all of the claims being made about the cost of wheat and the cost of bread, for example. We know that one bushel of wheat can make 57 loaves of bread. When the baker says the cost of a loaf must go up by 50 cents in the store, you can bet that the cost of wheat hasn't gone up by \$28.50 per bushel. That would really be a record-setting price. Is the flour the greatest cost in that loaf of bread, or is it wages, transportation or marketing costs?

As farmers, we will not apologize for making fair returns for our crops because we need this to sustain our industry. But, we do want to ensure that the food made from our grains is affordable for Manitobans. The problem is that the numbers don't add up – the prices in the store are more than compensating for any price increase that we receive.

All of this reads a bit like a math problem, but the underlying fact is that farmers must receive a fair price and consumers can pay a fair price. The price tag on the bread in the store has a lot more to do with factors far beyond the farm gate, and that needs to be made clear for all of us.