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**Company Affiliations:** Canadian Wheat Board (CWB), Government of Alberta—Soils Branch

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**Summary:** In his first interview, farmer and elected director of the Canadian Wheat Board Bill Toews discusses his involvement in the Canadian grain industry. He begins by sharing the story of both sides of his family’s immigration to Canada, their farming experience, and his remembrances of the family farm. After university, Toews discusses his career as a soil specialist for the Alberta government and describes different soils in the Prairies and how farmers have tried to improve its fertility. He describes taking up farming himself, the typical seasons and processes in grain farming, and his interactions with organizations working for farmers’ benefit, like the Western Grain Research Foundation, Canadian Grain Commission, and CWB. He shares major changes to farming over his career, like rail line rationalization, fewer grain companies to deliver to, increase in on-farm storage, and changes to crops grown. Toews then discusses his involvement with the CWB before his election to the board of directors, and he describes his duties as a board member and some of the issues he has dealt with thus far. He explains the contemporary debate about the CWB and government regulations in the grain industry, lists groups who do and do not support the CWB, and predicts what would happen if the CWB was deregulated like the Australian Wheat Board was. Other topic discussed include issues of GMOs in grain, the importance of grain research, crop insurance and farm income assistance, and his interactions with terminal elevators.

**Keywords:** Grain farmers/producers; Canadian Wheat Board (CWB); Government of Alberta—Soils Branch; Farming—equipment and supplies; Soil fertility; Soil types; Grain research; Grain transportation—rail; Rail line rationalization; Western Grain Research Foundation; Canadian Grain Commission (CGC); Producer cars; Country grain elevators; Government regulations; Grain trade—laws and legislation; Agriculture policy; Grain marketing; Boards of directors; Crop insurance; Grain varieties; Australian Wheat Board

Time, Speaker, Narrative
NP: Starting an interview with Bill Toews. It’s Nancy Perozzo. Bill is from Kane, Manitoba, and I’m interviewing him at the Bea and Laurie Cherniack home on South Drive in Winnipeg on May 29, 2010. So, we can start the interview by--. Usually, we ask our interviewee to just tell a little bit about your history, going back as far as you know about your family and its role in agriculture.

BT: Okay. Well, I can tell you about my great grandparents' immigration to Canada. Of course, my background is Mennonite, so I have lots of roots in Europe and then subsequently the Ukraine where the Mennonites settled and lived for about 120 years, depending on when they started to immigrate. Different groups immigrated at different times, but my father's grandfather arrived in Manitoba in 1874 roughly, intending to settle down and get a farm. The land that was allotted for them they felt was unsatisfactory, so they went south. They went into an area near Fargo in North Dakota at a place called Mapleton. They subsequently moved back to Manitoba when some new land opened up in the Winkler-Morden area. It was called the West Reserve. There was always this notion that the Mennonite groups were pretty tight at that time for various reasons—culturally, religiously, and so forth—that they were a little concerned about all the boys being interested in the Swedish girls down in North Dakota, so they thought they'd better get them out of there. [Laughing]

At any rate, that's just an anecdote. I think there's no truth to it. So, they settled in southern Manitoba at Rhineland, and subsequently his family moved off that farm, but farmed near Kronsart, Manitoba, which is just north of what is called the West Reserve. My father grew up there with, oh I don't know, eight or nine brothers and—well, maybe more like 10 or 12 brothers and sisters—and they each started to farm. But there was, especially, a couple of the young girls were very musical, and one of them became a concert musician and so forth. So, they all took off from there, but the boys for the most part were farming initially and developed some other trade after that. But my father was especially good in mechanics and blacksmithing and so forth, so he made a bit of a side living doing that and started his first small farm with that as a sideline. Then he moved to Kane, where I'm living now, started that business up again, and it was quite successful.

In those days, the various large supply companies like John Deere, the oil companies, whatever, were looking for people to take on franchises. So, they would drop a tractor off and tell my father if he can sell it, there'd be this much commission. So, that just started off the John Deere business. That's quite contrary to what it is now, obviously. So, the business developed, and he eventually built a general store. He had married my mother pretty young, and of course she was part of the operation for that period of time obviously, keeping the store going. Then he was also involved in the farm I'm on now. So, we had both the farm, the general store, and a garage and dealerships and so forth. Came out of that. I thought at that time there was really nothing beyond Kane that I needed to have. All roads led to Kane as far as I was concerned. We played sports and football and had a great time. It was a big community, you know? Kane was the centre of a lot of activity.

Then, on my mother's side, they came as--. My grandparents actually came from the Ukraine as well. They came and settled in Saskatchewan and homesteaded there. Had an awful time. Had to deal with, of course, the weather, the grasshoppers, the Prairie fires. They were living in one of those early huts with mud walls in the thatch--.

**[0:05:01]**

NP: The sod huts?

BT: The sod huts, yeah. He moved back and forth—he was a teacher—so he moved back and forth between Manitoba and Saskatchewan. Then ultimately, they retired and lived quite poorly. But my mother and her family-- My grandmother on my mother's side gave birth to 16 kids, if you can imagine. A couple died at birth, and then as time goes on, others died for other reasons. For example, one of my uncles was killed in a car accident because he was going too fast in a Model T. [...*audio skips*] Different context all together and different circumstances. But then, for whatever reason, I ended up going to university and taking agriculture. Went to Alberta, worked with the Alberta government for six years. Then the farm came up for sale, and I decided they weren't making land anymore, so I decided to move in. At that time, my wife wasn't particularly thrilled with moving back to where she kind of grew up herself. But subsequently we made a stand to stay there and we're still living there, actually. In the meantime, I've had the opportunity to do quite a few other things as well.

NP: So, a couple of questions come up as a result of your history of your family. What was the size of your ancestor's farms compared to what your farm size is now?

BT: Well, they were not necessarily really small, I'm guessing. It might consist of a couple of sections, for example, but they had a lot of horses, and they had a lot of manpower. So, they could handle that kind of farm in those days. I was actually a bit surprised at some of the farms that were quite large. But when I grew up in the Kane area, the farms were generally quite small. A quarter section, maybe two quarters or something, that would be the more common size. But there were some farms that were quite large because I guess they were good managers and they were able to hire help there, keep the horses fed, and so forth.

NP: And with families of 12 to 16 kids, there was a lot of labour available.

BT: Yeah, yeah. Every son and daughter had their time in the horse barns and the cattle barns. Even when I grew up, it was just a matter of culture more or less than anything that we had kept some pigs, we kept some cows, and we kept some chickens. I always wondered as a kid, "Why are we doing this? We've got a store that we own just down the road where we can buy all that stuff." But I think my father felt that it was just good training, which didn't really appeal to me.

NP: You were born in 1943, so by that time had automation reached your grandparents?

BT: It would have been my father that was by that time—automation on the very basics. There were tractors that didn't have electric starters and those kinds of things, but they did have gasoline or diesel power—not even diesel, but gasoline-powered tractors, very rudimentary swathers and so forth. But a lot of it was still done by stooking and so forth. I can vaguely remember in 1946—I was 3 years old—but I remember going out to the field with my father to take lunch to the German workers that were working in the field. Of course, I didn't really understand what was going on, but I just recall being approached by one of them and he was scaring the dickens out of me. He was just trying to talk to me, but I had never heard this language before, so I think I recall crawling across the other side of the car and crying. I just found it interesting that I still have an image of German prisoners there. My father treated them very well. They really appreciated it, and some of them came back after the war to work for him. I'm still on the same farm.

NP: The German war prisoners, then, were common across all of the farms in Manitoba?

BT: Not all of the farms. There were camps in different locations, usually associated with water supply. For example, in our case it was attached to one of the water towers that would supply the steam engine with water. So that's where they built the camp. In our case, they needed very few guards. Really the prisoners were having a better life for the most part than they were having before. They got reasonably well fed. There wasn't a lot of things that they had to do. They would go out each day and work for farmers in the area. I can't recall, but my parents would tell me that sometimes they'd invite some of the prisoners up in the store where they'd be playing music and singing. They'd be singing some German songs, and the prisoners would be bawling their heads off because they were so lonely for home. So, that was the kind of life that was going on then. There was lots of things to do and lots of things going on.

**[0:10:52]**

NP: Were you, as a young man then going to high school, were you working on a farm or in the store?

BT: I worked in the store and the garage and the farm. We did everything. Learned a bit of everything. Even then, we hauled bulk fuel, and I was only 14 when I--. We were driving when we were 10, 11, 12 years old. Didn't seem improper for me without any licence or training or certification to be driving a bulk fuel truck out into the country before school and filling up farmers' fuel tanks. Nowadays, of course, that would be enough to throw somebody in jail.

NP: [Laughs] When you went to university, what caused you to decide to go to university? Did you specialize in any particular area of agriculture?

BT: Well, it's interesting. I took my first year—or my high school—at the university. I did quite well, and I thought I could be a physicist or something of that nature. I became interested in honours physics. I thought I was going to do physics. One of the profs even encouraged me to think about it. So, I went into honours physics, and I realized after the first two weeks of the courses that I had no idea what they were talking about. [Laughing] They all seemed to be talking about the same thing. It was all about math, but I didn't understand it. So, I met a fellow in the arts washroom, in fact, who I'd known in science. We talked and he said, "Well, how are you making out?" I said, "Not very well." He says, "Have you thought about agriculture?" He had switched over to agriculture. I said, "No. I hadn't thought about that." Well, today was the deadline day if I wanted to switch faculties, so I just walked over to the agriculture building and talked to a counsellor, and got signed up, and that's how I ended up in agriculture. I really never intended to. As a result, though, it's turned out very well.

NP: Did you specialize?

BT: I specialized in soil fertility and did a master's program in soil fertility. That's what sort of got me to work in Alberta for a period of time. I never really intended to come back to the farm. It just never occurred to me until my father realized that he was getting a little old. He was getting offers from German investors that were coming in at the time. He just had somebody at the door saying this is what he'd pay him if he would sell his land. Dad was thoughtful enough to give me a call in Edmonton and see whether or not I had any interest in buying the land.

NP: What year would that have been?

BT: That was 1976.

NP: And was life good on the farm at that point? Economically good?

BT: Well, it was pretty good. Economically it wasn't bad. There were a couple of good years—'74 and '75 were relatively good—probably the best years my father ever had. I bought the farm anticipating that this would carry on for a while and, of course, as soon as I bought the farm the prices dropped for quite a while. But I never regretted it because there's something about producing food and grain that appeals to me. Being able to walk out of the house and be right in your workplace was kind of nice.

NP: Going back to the soil specialist. You're the first soil specialist that we've interviewed, so.

BT: Oh, I see!

NP: Tell us a little bit about, well, your job in Alberta—who you worked for and what kind of work a soil specialist does.

BT: Well, I worked for the Soils Branch. Initially it was called the Plant Industry Branch, and then I moved and switched to the Soils Branch, which was more up my line of work.

NP: With the government of--?

BT: With the provincial government, yeah. The work I did was mostly in what was called soil reclamation. It was the reclaiming of land-- I guess in a way it wasn't reclaiming, it was trying to make certain kinds of soil more productive. These were called solonchic soils. They're hardpan soils, and there's an area right through central Alberta from Camrose down to Manyberries that have this problem where the topsoil is quite shallow and there's a very major hardpan underneath it. So, we were trying different ways of improving the structure and qualities of the soils. I did some soil fertility work there too from time to time. Enjoyed what I was doing and had a good job and a nice living out there. Worked with good people, but the pull of the farm, I guess, got the better of me.

**[0:15:45]**

NP: And this is a very obvious question, but maybe the answer won't be as obvious as I anticipate it being. [Laughs] So, that specializing in soil science related to agriculture, how has it impacted your farm? Do you farm differently from other people because of that, do you think?

BT: Well, when I moved back to the farm, I paid pretty close attention to what others were doing because I had no real experience farming myself. The knowledge I had did help out in understanding what I was doing. It didn't necessarily mean that I was doing things better, but probably I had a better understanding of why things worked and why they didn't work. Actually, though, that soils background has been good in many other ways because that's what got me away from the farm for a couple of years when I went overseas and worked with CIDA [Canadian International Development Agency], and I could work in the area that I had specialized in. Even now, I do presentations for CIGI, Canadian International Grains Institute. I'm doing one on Monday. One of the first things I talk about—I'm supposed to speak about grain farming in western Canada—one of the first things I do is put a map of the soils of western Canada for them to see and have them understand how the farming systems will be dependent on not just the soils, but the environment and so forth. One farmer in Manitoba, you can't duplicate him in Saskatchewan, you can't do the same thing in Alberta. A lot of that has to do with the soils that they're working on. So, it's funny how it finds its way in in different ways, and it's been very positive for me.

NP: The soils, then, in the Prairie provinces, can you say what percentage of them are good arable land even though you have to grow different things in different places?

BT: Well, I don't know about percentages. I think the usual statistic is that there is 70 million acres of cultivated land in western Canada. Some of them are going to be so-called Class A soils—not that many—some are going to be rated quite a bit lower than that—E and F and G and so forth—at the crops insurance levels. So, there was various levels of natural productivity. There is some barriers to production in other areas, of course rainfall, too much, too little. You know how variable it is, but there are only a relatively few acres that you could say are good for almost any occasion. Where you have too much rain or too little rain, they're well drained, but they have enough water-holding capacity to be productive even if it's dry and that kind of thing. But there aren't that many of those around.

So, farmers as a whole generally, you know, get stressed out by the weather because it can have such a terrific impact on what we're doing. These last big thunderstorms we've had going through in Manitoba here in the last couple of days have changed everything from very optimistic, nice-looking crops to a lot of land underwater. Hopefully, it won't keep on raining this weekend. But it has such a terrific effect on your ability to make a profit on the farm.

NP: Is there a sort of a vein of Class A soil through the Prairie provinces? Or is it more just splotchy?

BT: It's kind of splotchy. [Rustling] Gee whiz! In Manitoba, the Red River Valley, of course, is considered to be a good area, but it's got a mixture of clays and soils that are sort of beach soils. So, right on the edge of the escarpment where the old Lake Agassiz used to be, there's some fairly marginal soils. But between that and heavy clays, there's probably the most productive soils on the Prairies. It's so dependent on how the soils were formed in the first place, and of course water and glacial activity has a big impact on that.

**[0:20:26]**

NP: Sorry?

BT: Well, there's a soil type called chernozem, that's in the taxonomic Canadian soil classification system. It's a taxonomic system. These chernozemic soils are considered to be the better cropping soils. They're generally undulating soils. They're reasonably good drainage, and they're sort of typical of what's on the Prairies right from Manitoba, Saskatchewan, Alberta. But they will vary a bit in their topsoil colour, and that topsoil colour is a reflection of the environment that they were produced in. So, soils in Saskatchewan in the brown soil zone, where the topsoil is actually brown, have not received as much rainfall. Organic matter levels

are not as high, and so they have a different colour. Your farming system there will be still dependent on the fact that that environment hasn't changed that much over that period of time.

NP: Speaking of changes over time, I think a lot of people who have paid any attention to the Dirty Thirties, the 1930s and the droughts I guess that were happening at that time and the serious issues with soil erosion—. Has the soil been brought back to what it was before that practice?

BT: Well, I don't know if the soil has ever been brought back. It's improved a lot, and the farming systems that are being used now, particularly in Saskatchewan and western Manitoba and parts of Alberta, have so improved in terms of keeping the soils from blowing around. It still happens from time to time. But one of the most significant impacts in technology was the introduction of something called a glyphosate, or Roundup as we know it. It's a broad-spectrum weed killer. But farmers in the '30s, the reason some of these soils were blowing is they'd summer fallow, which means you keep no crop on a field for one year in order to accumulate some moisture and improve the fertility for the following year. It was a very common practice, but when it was done it was tilled regularly to keep the weed growth down. The soil became naturally susceptible to erosion.

Since that time, people have developed systems called zero-till or minimum-till where instead of summer fallowing with a cultivator, there's essentially you call it chem fell, that is you spray the Roundup on the field killing the weeds but maintaining the stubble from the previous crop. So, there was an amazingly successful technology change that farmers are using. They really prized it. One of the concerns was—it's kind of interesting how something kind of turns on itself—when Monsanto, who brought the chemical forward in the first place, they were also now in the last 10 years wanting to introduce something called Roundup Ready Wheat. That is, introduce a wheat like canola that would be resistant to their herbicide Roundup. There was a hue and cry about that from these conservation farming systems' farmers because now you're introducing a grassy wheat into the system which would become predominant in those fields, and they would have to use either an additional chemical or they would go back to cultivation again. So, there was a very strong resistance to bringing that product in. In the end, there was so much resistance that Monsanto didn't introduce it, as hard as they tried.

It's interesting now that there's a bill that was tabled and is now before the House of Commons Ag Committee dealing with the introduction of genetically modified organisms, plants in particular, without having a proper assessment of their impact in markets. But I would suggest there should also be the impact on the agronomy should be looked at as well to see if there's any issues that could affect farmers a way Roundup Ready Wheat would have affected it.

**[0:25:12]**



NP: That bill, I would assume, is the result of the resistance of certain markets for Canadian products being closed to any sign of genetic modified product, right?

BT: Yeah. Well, it's interesting. The official policy and the policy that some groups will issue is that everything should be science-based. Just because the market doesn't accept it is not scientific, therefore we should produce it anyway. Of course, [laughs] I just shake my head at people who used to tell me that the customer's always right. I'm saying back at them now, "I mean, the customer's always right, isn't he?" So, we're right in the middle of this debate, and of course what ultimately has to happen--. There could be some very useful genetically modified organisms that come along and might be good for agriculture. There's still lots of market resistance, and I think at some point we have to find a way for our customers to accept some contamination or whatever you want to call it. It can't be at zero. Producing zero is just as impossible.

That's what happened with our flax crop in Canada just this last year where European users found there was something like 0.001 percent genetically modified flax. They shut down the market completely. Canada got hurt very badly because we ship 60 percent, maybe a bit more, of our flax to Europe. That was our main market, and the market just shut down. There we are sitting with all this flax on the Canadian market. Prices dropped. What had happened was a breeder in Saskatoon had introduced this genetically modified flax, and it was resistant to a certain herbicide, which they thought would be good for flax farmers. But the Flax Council finally raised its head and said, "Look, we're going to have real problems if this stuff enters the market." But it had already been shipped out to seed growers. So, the seed growers had multiplied it for distribution to farms. They caught it before it was distributed to the other farms, and they were trying to take it off the market by shipping it all through local crushers and so forth. They assumed that they had done the job. That was about 10 years ago or maybe 9 years ago. Suddenly, this flax variety called triffid shows up in the European market and all hell broke loose. That's where we're at now. There's been no resolution to that.

NP: Are you a flax grower?

BT: Yeah. [Laughs] I'm a flax grower, and I'm pretty upset.

NP: So, how does that--? What percentage of your income is--?

BT: Well, it would be that much, but it would be, say, 20 percent. So, I guess everyone is thinking our leaders and our officials and whatever will find a way around this, but so far, it's pretty touchy. In fact, there was a breeder in Alberta now that had been working on a genetically modified flax that had a particular oil quality difference than what we normally had. He was up to the point where he wanted to put it out in the field and grow enough to have some proper tests being done, which is perfectly okay through the Canadian Food Inspection Agency [CFIA]. They have guidelines for this. But the Flax Council virtually got down on their knees

begging them not to do this. So, they capitulated and decided not to put it out this year. But there's a lot of--. I think the Flax Council just said, "Look, we're dealing with a problem right now. What does it look like if we're introducing another one?"

The stuff doesn't necessarily--. [Sneezes] Excuse me. It doesn't stay in its home place. There's pollen drift. It can go anywhere. There's some that say, "Well, we can control it. We can segregate it." All this kind of stuff. It doesn't work that way. This stuff gets all over. I mean, I've farmed long enough to know that seed from one of my fields will eventually get to another field or my neighbour's field. It's not going to stay at home. So, that's just a side story, but.

NP: Well, it's not a side story because one of the questions we ask related to the life of a producer or farmer is what kind of connection do you have to research? So, obviously you bear the fruits but then the brunt too of--.

**[0:30:11]**

BT: Yeah. I worked with the university for a number of years too as a sessional instructor, so I got to know the community quite well. Then I was part of Keystone Agricultural Producers and represented them on something called the Western Grains Research Foundation [WGRF].

NP: What is, first of all, for those who might not know listening to this 200 years from now, Keystone Agriculture?

BT: Keystone Agricultural Producers, it's a farm policy organization in Manitoba. It's the key one in Manitoba. It's been around now for some 25 years I believe. It's a collection of farmers with about 5,000 memberships that from the ground up tries to develop policy to recommend to governments and so forth. But they had a seat on this WGRF, which is a collection of farm groups, which influences the kind of research being done at various research stations. It's a funder. There's money from farmers goes into the WGRF. This is wheat and barley only, and each year there's a document provided of what kind of work the plant breeders want to do. Then there's some discussion about, "What's the best way to do this?" There's also an endowment fund that the WGRF handles. At one time it was just the residual left from the--. What's the right term? Oh!

NP: After they gave out their grants, they'd have some left over?

BT: Well, Prairie Farm Assistance Act was sort of a very minimal kind of a crop insurance that farmers had. It was, I think, set up in the '30s or somewhere in there. It didn't have much of a payout for farmers and eventually it was disbanded. They turned the principal amount of \$9 million to the WGRF, which could be spent on any good kind of research whether it's canola, whether it's wheat, whether it's flax, or anything else. It's interesting to me to try to explain this because there's so many interconnections. The

railways are operating under something called the revenue cap. They are given a lot of leeway in terms of what they do in the countryside, but they had to operate under a cap, which was established in, I believe, 1992. Each year it's changed with respect to their costs of labour and fuel and all those kinds of things. But what really isn't taken into account is their efficiency gains, which they get without consideration in determining the cap in the long run.

But anyway, when the decision was made to distribute anything that went over the revenue cap had to go back to farmers somehow. But sending a separate cheque out to every farmer in terms of exactly how much they had delivered of a certain crop at a certain time was very difficult. So, they just said, "We'll put that money into the WGRF, into their endowment fund," which was \$9 million at the time. I believe it was—. Both CN and CP have gone over the limit, but in the last couple of years they've been the beneficiaries of a \$60 million addition to the endowment fund from the overage that the railways charged for the cost of moving grain. So, now it's interesting how many people are interested in trying to do business with the WGRF because it's changed completely. Just taking out something, that's okay.

So, anyhow, there's so many things that are interconnected. To find the WGRF receiving money from the railways, that's something that a few years ago you would have never made the connection. Now, of course, there's a significant change in the way Agriculture Canada wants to run its breeding programs and so forth. I always feel sorry for the people actually doing the work in the field, the breeders in particular, because it seems like every time there's a change in government or a change in Deputy Minister, he's got some new idea and changes the whole structure. So, these poor scientists have to deal with it in a different environment so often in terms of retaining their budgets and so forth.

**[0:35:20]**

NP: Especially when this type of science takes time.

BT: It's very long term. At the best, even with the more modern techniques being used, from the day that a breeder finds a variety in his field that he's been selecting for—he finds that one—to get it to be commercially available could be 10 or 12 years. They need long term horizons. They need long term funding. Unfortunately, politics is generally short term.

NP: So, when you said that Agriculture Canada was changing its direction at this time, what--?

BT: Well, they're trying to organize it around clusters. I don't have a good understanding of it. But, for example, in the wheat industry, their wheat breeders will form a cluster along with WGRF. A cluster simply means that it will be a distinct unit in the research field, which is going to be an industry-government partnership, which can work, especially in this case where the industry

are farmers. But there are other clusters that will not necessarily have that exact organization. I'm of the view that farmers would be well off if they could take more ownership and control of that through the WGRF and be satisfied that in fact this research will continue with some sustained funding. It would be better than it's being done now.

NP: So, is there official lines of cooperation between Agriculture Canada and the WGRF?

BT: In fact, there's an Ag Canada representative that sits on the WGRF board. There's about 17 or 18 farm groups that are represented there, and, of course, as you know, farm groups don't all have the same opinion. But overall, they've done fairly well. But I think governments over the last while, whether it be the Grain Commission, whether it be research funding and so forth, there's a tendency to want to pull themselves away from that. They want to so-called "clean up" their responsibility and need for funding. I just think it's such a mistake because the things they do in that regard are trade neutral. The support they provide for the farm community in that sense is trade neutral. Just about everything else raises a fuss with WTO [World Trade Organization] or at NAFTA [North American Free Trade Agreement].

My view is that if you can stabilize, or have some institutions at the base level, it helps farmers a lot more than just feeding them a few dollars here and there after they have a bad year or something of that nature. I think the strength lies in the foundation of the support systems like the Grain Commission, and that's why I'm a director of the Wheat Board. I think the Wheat Board provides that kind of stability and essentially everything it does has to be done for farmers' benefit, and sometimes we don't do things perfectly, but it's always there, and it's a non-profit organization.

NP: The whole area of research, would you say that modern farmers who are successful, they are like you? They follow research, they implement?

BT: I think most farmers pay attention to research from the perspective of what they're being given by the trade, by experts in the field—whether they're writing papers or so forth—and sort of by osmosis. I think about this quite a bit. I've had the opportunity to be involved with research through the various institutions I've been with. But I realize before I did that, I really didn't know very much about how things were done. Unless you're directly involved, you'll never figure it out exactly. You might have some general views on things, but you don't know the research. For example, I'm in the wheat industry. I know all of the breeders in western Canada. I know some in eastern Canada. I know the deans of the universities, just through association—not that I socialize with them necessarily or not—but kind of know the system. For example, I was on the Prairie Registration Committee for a number of years, and I understand how varieties are registered and all the politics behind that.

**[0:40:38]**

There's pressures by certain groups and companies against having a regulated system at the lower end because they see so much value in them being able to get something into the system that doesn't require 10 people to vote in favour and 5 against type of thing. For example, the quality control that's done at the Prairie Regional Registration Committee for grains—quality control on the wheat in particular—has been extremely important in retaining our reputation for the quality of wheat we have. If we didn't have it, we'd essentially have an American system, which by itself produces some pretty good varieties, but they don't have the regulatory and organizational ability to segregate their wheat in the way we can. It's a marketing advantage for us. Some things don't seem very major, but it does distinctly--. I meet a lot of customers, a lot of international customers, when they come to Winnipeg, and I have an opportunity to speak to them about grain farming in western Canada. But I always get the sense that they really do appreciate our ability to provide them with very good quality and follow up services and all those kinds of things. It's something that Canada should be very proud of.

NP: So, when you have a wheat kernel and a wheat kernel, service and the guarantee of quality becomes the selling feature?

BT: Yeah. The guaranteed quality. Know exactly what they're getting, they don't have to sample it as it comes into the system. They know what they're getting. Over and over again, we've had customers just tell us how much they appreciate that. It's generally cleaner. We have more tighter restrictions on port people throwing additional stuff in just to make minimum standards. That's a very serious problem in the US where they will throw in anything just to--.

NP: To keep the grade at the bare minimum for that grade?

BT: The bare minimum, yeah. So, there's some value in that. Sometimes it's hard to quantify, but I always feel that if you're the first person that a customer comes to to want to see what we can offer, I think that's always a good sign.

NP: Have a couple questions, again, about the modern farmer, and even changes that you've seen in your lifetime on the farm. Speak a little bit about the relationship with the railways. Does the ordinary, everyday farmer have any connection with that?

BT: Oh, yeah. Again, that's a big area. Over the last 15 or 20 years, there's been a so-called rationalization of the grain handling industry. What it meant for CN and CP was to try to move as much of the grain system onto the mainlines as possible, or as close to the mainlines as possible. What it meant for the grain companies was to build infrastructure to support that. So, there were incentives given the grain companies, when they built new high throughput terminals, to build them on the mainlines or close to the mainlines. For farmers, it's meant, of course, that their trucking distances are a lot farther. What it's resulted in is a lot more custom hauling by the trucks that can haul 43, 44 tonnes. And, of course, it's caused the rail lines to be ripped up. It's caused highways to

be beat up. It's interesting. There were some farm leaders that had quite a bit of foresight and were suggesting, "This thing called rationalization may not be so rational. Let's have a sense of what we want to come out of this with." But my view is that the grain companies kind of got stampeded by the railways because they were offering these incentives to build new infrastructure and drive the system that way.

**[0:45:09]**

But one of the things that farmers have done and reacted to, particularly in Saskatchewan, is building a producer car loading sites. There still is a law in the Grain Commission Act or the Grain Act that permits farmers to load their own cars. So, some of these farmers have built significantly large producer car loading sites and have done quite well. But unfortunately, they don't get the incentives that the grain companies do for spotting 100 cars instead of 50 or so.

NP: Incentives from the rail companies?

BT: From the rail companies, yeah. Actually, when it comes right down to it, it's kind of a complex issue. These trucking premiums that farmers get to haul to the major inland terminals, which the railways have provided them with incentives for, farmers are paying for that without realizing it. They're not getting something for nothing, but that's a whole 'nother story. [Laughs]

NP: So, how does that work? They're given incentives in order to defray the costs now of hauling their grain farther?

BT: Yeah. You'll find that wherever you have a producer car loading site, which saves farmers about \$10 to \$15 a tonne—in terms of handling costs that the grain company would normally charge—there's an incentive to load your own cars and make an investment in a producer car loading site. What it does besides save them money, it offers a spot nearby, maybe 10, 15 miles from them, that they can deliver to. So, it's interesting to note that wherever you have a producer car loading site of any significance, the incentives from the grain companies that's 30 miles down the road or 40 miles down the road go up in order to pull that grain into their terminal. Essentially, it's a way of killing the producer-car loading facilities. So, we're at the stage now where there's a real challenge, a real challenge to keep these producer-car loading sites going.

Quite a few farmers have bought their own short line railways. There's actually one in southern Manitoba that was started last year that's been quite successful so far. They actually bought an extension of a CP line, putting producer-car loading sites on it, and so far, so good. But it's all dependent on how well the railway companies work with them. Of course, both companies are not the same. One's more difficult to work with than the other.

NP: So, do farmers actually at some level lobby, meet with, rail shippers?

BT: Yeah. Well, for example, some farmers in Saskatchewan sent in an official complaint to the Canadian Transportation Association about level of service. So, there are quite a few farmers—and, in particular, those involved in producer-car loading sites—who are trying to do business with the railways, are quite involved politically, bureaucratically, and in discussion with the railways. Most farmers wouldn't—by far the majority of farmers wouldn't—have those direct contacts, but there are quite a few that do. It's always a battle. The railway company, obviously, is trying to maximize its return to shareholders. The notion that we might have had at some point in the past that there's a responsibility to provide proper service, that's really not--. The only time that's important is if it affects your bottom line.

For example, the current rules are for railways that spot cars, there's no penalties applied to them if they're late. They can be a week late from spotting their cars, even at a high throughput 100-car spot siding.

NP: Spotting means getting the cars to the--?

BT: Getting the cars to the site. If they're a week late, there's no penalty. But in the meantime, the grain company at that particular point has assembled all of its workers, got its overtime people. They're set to go in a 24-hour period when the railway committed to delivering doesn't show up. So, then they say, "Well, it'll show up on Tuesday." So, they set it up again and it doesn't happen. There's extreme costs. It's a very unbalanced system and I think the shippers—the grain companies and others—have been demanding to get a more equal playing field to be able to operate on. On the other hand, if the train does spot at a certain time, they expect the train to be loaded within 24 hours, and it better be done or there's penalties applied. So, [laughs] how the federal government hasn't changed the legislation on that, I'll never know. Well, I do know. The railways have a terrifically powerful lobby.

**[0:50:31]**

NP: Producers' interaction with the grain companies?

BT: It's mixed. There are very few grain companies left. You know all about the concentration of the grain industry. Since the days of the Pools are gone—the Alberta Wheat Pool, the United Grain Growers [UGG] used to be a pool, Saskatchewan Wheat Pool, Manitoba Wheat Pool—they, I think, handled about 55 or 60 percent of the grain on the Prairies. I think, in general, they were seen to be on the farmers' side, essentially, because they were owned by farmers. But over the years, for various reasons, they all became publicly traded companies. Alberta Wheat Pool, Manitoba Pool, Saskatchewan Wheat Pool, and UGG are all now in one company

called Viterra, which doesn't obviously make you enthusiastic about the competition you're going to have out there. So, there's Viterra, there's Cargill, the other larger one, Pioneer, and there's a couple of smaller ones—Parrish & Heimbecker [P&H] and Paterson. They're spread so far apart that usually a farmer is happy if he has a terminal that is 50 miles away instead of 100 miles away.

I'm still one of the old-fashioned guys. I like to take my grain to an elevator. I like doing it myself, in fact, as opposed to putting it on a truck. Going to the elevator, talking to the guy that's doing the grading, the guy that's doing the weighing or whatever, have a little discussion. I'm always proud of my quality of wheat—whether it's all that grade or not, I don't know—but you like to have that discussion. But I think a lot of farmers now have come to the conclusion that, "I'm more interested in just getting my grain from the granary and just send it away, and then complain about the dockage and everything else that comes back with a ticket." So, farmers are not nearly as closely connected to the grain companies as they once were. Well, it's obvious. We used to have two or three grain companies in the same small town 10 miles apart from another one. I guess that was considered to be relatively inefficient, which it probably was in some ways. But certainly, the farmer could pick and choose which company he wanted to deal with.

NP: Did your family have their favourite, or was it economically driven?

BT: No, it depended on the manager more than anything. You know, I should tell you a story. I don't mind telling this one live. My local elevator agent working with Paterson was kind of getting a hard time from one of the Paterson representatives out there because he tended to be great and sympathize with the farmer. He would do the best he possibly could with a farmer, which in fact was probably cutting into Paterson's profits, and they probably felt that it wasn't necessary for him to be quite that generous. Anyway, I was talking to him across his desk, and he was telling me about his problems. I was a little unhappy with some of the other programs that Paterson's was dealing with because that's where I dealt all the time. So, I finally decided in my wisdom to write a letter to Andrew Paterson. I just said, "Hello, Mr. Paterson. I'm so-and-so, and I just want you to know that there's a lot of loyalty to your grain elevator in Kane, but don't ever get the idea that it's because of the Paterson name on the side. It's because of the manager." It was very interesting. Actually, Andrew called me within a week, and we had a nice discussion. I thought two things. First of all, the pressure on Irvin, the elevator manager, was relieved a bit, but secondly, I was impressed with Andrew Paterson phoning and wanting to have this discussion. Little things like that.

**[0:55:00]**

NP: Make a difference.



BT: Make a difference, yeah.

NP: And now, from what you're saying—if I'm interpreting properly—that kind of loyalty is no longer there? First of all, you may not know the manager, and secondly, it's so far between elevators that economically you have to take it one place.

BT: A lot of it was done by phone call. You might take some samples to the elevator and maybe a couple of elevators, and so there's still some competition there. But it's certainly not that personal touch that they used to have. In fact, now in the last two or three years, we got a grain line right past our place from Morris into western Manitoba and that's been completely ripped out. So, I have to find my new elevator, which I've done, which is again a smaller elevator who's just quite unique because there aren't many of them left.

NP: So, who's your new elevator?

BT: It's called Delmar Commodities.

NP: New one to me!

BT: Is it?

NP: Tell me about Delmar.

BT: Well, Delmar, it started with a fellow who worked for Cargill as a manager in an elevator, and he just decided on his own that there might be some money in this business. So, he bought a Manitoba Pool elevator at Jordan Corner between Carman and Morden. Started off very simply, managed to start buying grain, and I guess he was shipping it. At that time, he still had a rail spot. He could load his own cars, ship it out. Wheat Board grains would be shipped off. He could ship off oats to buyers. I think he did some business through some of the other major companies. Then he bought another elevator somewhere else, and he built a soybean crushing plant right at Jordan and got the business going. Bought another elevator here and there, so he's got three or four grain elevators in business. What I always thought with this company, although he's more removed from that actual business now than he was earlier on, but the reason he was successful wasn't because of the volume that he put through—which is the purpose behind these high throughput elevators—but because of his hands-on approach. I always thought, well, there's two ways of looking at making a company efficient. One is to have a hands-on approach, close managerial skills, and the other one was to put through a lot of volume at lower margins. So, he's still quite successful, and I still deliver my grain there.

NP: Good! I think what we'll do is we'll take a little break and then continue if that's okay with you?

BT: Okay, that's all--.

**[Audio pauses]**

NP: Resuming our discussion. We've worked our way through how the farmers relate to the railways, the grain companies, and one of the other major sectors of the Canadian grain system is the Canadian Grain Commission [CGC]. So, again, I'll just leave it open to you to comment on the Grain Commission and how the farmers on the field interact with that group.

BT: Well, I think in the past certainly, and maybe it still is the case, farmers had a certain amount of respect for the CGC just because of the arbitration they might provide with respect to grade disputes, which was not necessarily used that much but it was always there to kind of keep the system honest. Of course, all of their involvement in inspections and in certificate final, for example, for our cargos overseas. It was very important to have that government guarantee with an organization like the CGC. The other thing that farmers have argued about a bit, but mostly being in favour of the Grain Commission providing a system whereby the grain handlers, grain companies, would have to be bonded in order to guarantee that they would get paid. The government recently wanted to change that. Unfortunately, they were trying to make changes to the Grain Commission without having something else in its place that serves that same purpose. The bill never got passed in the House. I'm not too sure where it's at now. But there's essentially this determination by governments, and they're not necessarily by party, but there's this determination to offload, to see if the private sector can do this as well, or that maybe having the private sector involved will create some efficiencies.

**[1:00:10]**

I understand that philosophy, but I always believe that in certain cases it's risky. I get a kick out of, well, a couple of things now. We had the major financial crisis in the US, but with a little bit of regulation done there to prevent that from happening. What would have a little bit more oversight in the Gulf of Mexico had on the current situation? I know our government's very proud of our banks being in good shape. It wasn't that long ago when the banks were trying to open up to the same kind of ability to do the things that the US banks were doing. It was because someone in government—I think Paul Martin included—prevented that from happening. But on the one hand, we want to get rid of regulation, offload it and so forth, but on the other hand, we certainly can see the value in some of it.

So, my view is not just deregulation for devout regulation's sake, but let's have the correct amount of regulation. We can't do without any regulation, so let's try to find what the right regulation is. I get a little annoyed at people who just say, "Well, we've got to deregulate. Deregulation is so much better for the economy. Let the free market do whatever." Well, we know what the free market does. As long as it's bridled, it can work quite well. But get unbridled and all hell breaks loose.

NP: Speaking of regulation then, is there differences of opinion within the farming community about other things that the CGC is responsible for, such as grades and so on?

BT: No, I think for the most part farmers don't have a problem with how they set grades. They have standards committees that have farmers in the industry involved with setting the standards. From time to time, when there's a standard change that happens in the middle of the season because of a certain problem occurring in the system, of course farmers will get very annoyed at that. When they thought their grain was a certain grade and because of a change and because there's a threat in the markets for this, there's a change in the grade, and they will get cut short. I understand their annoyance with that, but it's just part of trying to protect our reputation in markets.

NP: Speaking of reputation in markets, and this takes us back to one of our first discussions, and that was this situation with flax. Could that problem have been foreseen, prevented, by any of the players in the system?

BT: Well, I'll go back a ways. I've been involved in this debate on genetically modified wheat for a long time. The wheat thing was pretty simple and straightforward to me. Our markets told us, "We don't want any part of this. For God's sake don't introduce a genetically modified wheat because our customers, our people just don't want it." Japan and Europe, of course, being big ones, but there are a lot of other ones too. It's not quite as much of a threat now, but there are still some of our main companies don't want it.

I actually was involved with the Prairie Grain Registration Committee at the time, and as well I had an opportunity to meet with Mr. Vanclief when he was Minister of Agriculture. There was still this notion, "Well, we've got to be scientific. It's got to be science-based genetically modification, if it's been proven to be safe, we can't prevent it from being introduced into the market." And I said, "At what expense?" You can't just close your eyes and stick your head in the sand and pretend that telling Japan that this is a science-based process and that your bakers and public are going to have to eat it whether they like it or not is just silly. I couldn't understand why we couldn't get our teeth into that one and have a plan B. But for all kinds of interesting reasons, Monsanto finally dropped this push on it. But now, of course, there's a lot of pressure to reintroduce various kinds of genetically modified organisms. So, it's on the top of the table.

**[1:04:46]**

I don't have a problem with moving down a path where we can have some oversight in terms of what's introduced and how it's introduced and who it's going to impact—essentially do a cost benefit analysis. I think any company, any industry, that's introducing something new would do a cost benefit analysis. It's not as if everything is based on science. You have to go into it with market acceptability and also environmental impact.

So, we're in the middle of that game right now. Lots of activity, and that's why there's some NDP Ag critic has introduced this bill in the House—his name is Atamanenko—to require that a company that's introducing a genetically modified grain to go through a process of assessment, causing people to pull out their hair. The industry, the Monsantos of the world and the Canola Council and others, are doing their absolute best to prevent that from happening because they want free access to do whatever they want to do.

NP: The other question I have, couple of questions, about your farming hat and then we'll move over to the Wheat Board hat. Describe a typical day for a farmer on a day that you can actually farm.

BT: Oh! Well, generally I'm farming with Barb, and I have a hired man in spring and fall. So, that's kind of the kind of farm I've got. What I try to do is anticipate, say, seeding time. Getting into April, you could have a few days in April where it might be appropriate to be seeding, so you try to have your equipment lined up. You go through it and make sure that it's in an operating state. Then on the day that you decide to pull your stuff out of the field, usually requires you to take two or three or four different trucks and tractors and machines out to the field. I enjoy that immensely, especially when the weather's good. You get on the field, and you go. Of course, we've got such new technology on the farm that it makes life so much easier. All of the helping, mechanical aids, and even the self-propelled augers, for example, which we used to jerk around the yard and break our backs pulling them around. Having GPS systems in the tractors with autosteer, for example, having a computer controlling your seeding rate and your seeding depths and all of those kinds of things—provided it's all working, it's wonderful.

So, it can be really good. Then your objective is to do as much as you can in a relatively short time because the windows that you have for seeding and harvesting are pretty narrow. You don't depend on weather forecasts. It's like the beginning of this last week, we were going to have a sunny week, but we had some of the worst thunderstorms we've ever had. So, I think every farmer is aware, and it's too bad in a way. We are under a little pressure to make sure we get done, so we work long hours and night and day. You know, you get done and you get the seeding done and then you're very happy, then you do have the thing about spraying.

There's all kinds of concerns for spraying for weeds. It's complex. First, you have to worry about what's the crop you're spraying, which chemical is most suited at which time and which combination of chemicals, what kind of weeds you have to actually make a decision on the chemicals. Then you make a decision. My understanding is that most farmers that's the one job they hate the most

it's spraying. There's a certain tension about that. Of course, you have to be concerned about wind direction, you have to be concerned about the crops that are next to you and all that kind of stuff. So, I guess there's reasons to be tense. That's why this year I have all of mind done with a custom applicator. [Laughs] So, let them take all the stress away.

NP: So, a company that farms out like custom combining?

BT: Yeah, yeah. It would be custom combining, or a lot of the farm supply companies now have their own mechanized computerized squares that are very sophisticated. Takes a bit of stress off. Costs a bit of money.

NP: Do they actually do the work, or you rent the sprayer?

BT: No, they do the work.

NP: Is that the major source of information for farmers about what to use, when to use it, and so on? Is that the supplier?

BT: In some cases, it is. It'll depend on the supplier. Most of these suppliers will have an agronomist. Some are better than others. Some have a lot of experience. There's still a resource that I used the other day was the provincial expert who's been working in that area for 25 years, has a good handle on things. So, there's various sources of--. And of course, there's a booklet about as big as your binder here that is full of all of the information that you can possibly imagine, listing all of the products and everything that can go wrong.

**[1:10:28]**

But I guess in this system, it's not just about the work, it's about the satisfaction of having done the job. There's something about raising a crop that's really special. When you seed the crop and then you start to see the green shoots come out on a quarter section or something and they're all nice and straight and they're uniform and that kind of thing. It's like maybe people don't care about having rows of beans straight in their gardens anymore. That used to be a deal breaker. You would have a stake and a string and a stake on the other end and you would plant along the line. Well, we do that on the big fields too, only now we have GPS and auto-steering to make that happen.

Not terribly exciting actually. Harvest time, again, we know we have a window. Farms are generally bigger now than they were, so you have to harvest more acres in a shorter period of time. We have things like air fans in most of the bins so that we can take the grain off a little on the damp or tough side. Cool it down with the air and also dry it with the natural air. So, that makes things more

efficient. With the technology we have with combines and the size of combines and the speed as well, you can do a lot more with a lot less bodies. Pretty straightforward, but my view is if I'm not enjoying it then I wouldn't be doing it. As soon as I stop enjoying it, I'll do something else.

NP: I've often thought, and you can comment on this, that farmers don't need to gamble at casinos because--.

BT: [Laughs] I don't think there are too many farmers that gamble at casinos, although I know a few that did. Some were successful. I know a group of five that won the equivalent of \$3.5 million about 15 years ago. They kept gambling and they gambled it away. [Laughs] Anyway.

NP: And now their gambling is on the farm.

BT: Still back on the farm, yeah. Well, that's true. Let's face it, it is a big gamble. I don't know of any other industry where you put so much upfront on the hope you'll get a return. The seed cost for canola, for example, right now. If you're buying them, the hybrid's \$10 a pound. It used to be \$1 a pound. It's in about a period of about 15, 16, 17 years. At \$10 a pound at 5 pounds an acre, you're putting \$50 into the farm before you even start anything else. So, the cost of fertilizer, seed, herbicides, and whatever really mount up. Some farmers get into trouble when the weather doesn't cooperate. I've talked to some that don't have crop insurance, which isn't going to save you, but it's going to make a big difference. Some that are not investing in the programs that support of other sorts either. As one farmer told me the other day, he said he's a Christian. He's relying on the Lord to help him out. [Laughs] But he had a problem for two or three years running now, and he's finally taken out some crop insurance. I guess his prayers weren't answered.

NP: So, are you a supporter of the crop insurance programs and the income stabilization programs?

BT: Yeah, yeah, I think as a general rule, certainly, at the crop insurance level. Crop insurance has been around since the mid-1960s, and it's developed over time, and it's gotten better over time in a lot of different ways. It's like any other kind of insurance. But in this case, it's support 60 percent by the province and by the federal government. The farmer puts in 40 percent of the premium. The premiums can be significant, but if you measure it against the potential loss, to me it's a no brainer. Same thing with the Farm Income Support Program, which we now call AgriStability. There's lots of complaints about it. On my grain farm, it's not a bad thing, but it doesn't support farms that are having trouble three or four years in a row because it works on a margin, and if you don't have a margin, you don't get coverage. So, the ideal system isn't there. I've always thought, with tongue in cheek, that the best program would be—how is it?—predictable ad hoc. [Laughs] Assuming that there would be an ad hoc program down the road, that may be the best, but that's an oxymoron.

[1:15:44]

NP: They've gone through a lot of changes over the years, but they're still there.

BT: There's been so many programs in so many different ways it's hard to imagine. Twenty years ago, I was hearing about NISA [Net Income Stabilization Account] and—what did we call it?—it was an addition to crop insurance. Oh, shoot! I can't think of the name. But anyway, I thought we had the whole answer. Now there would be no more problems with respect to support programs for agriculture. Of course, five years later we're back in the same--.

NP: And is that because, again, of political changes?

BT: Well, political changes, but less of an appetite for governments to support at the level they were supporting. When they saw an opportunity to bow out--. It was costing farmers quite a bit of money too. The premiums were quite high. So, farmers, just by their very nature, aren't interested in paying high premiums. In the long run it probably would have paid off.

NP: This is going to be my last question on the farming part of it, and that is the farmer's connection with international markets. Can you farm without being aware?

BT: Well, I think farmers can farm, perhaps, without being aware, but there would be very few farmers other than those with say specialty markets, maybe some edible bean farmers and so forth, that would deal directly with customers overseas. Most of the bulk commodities like wheat and canola and whatever would be done by a grain company, or in the case of wheat by the Canadian Wheat Board [CWB]. How aware they are of things is probably not that great in general. I mean, there is only so much information that you can handle. What happens is you don't know when there's contradictions by the analyst, whose advice do you take?

I'm at the Wheat Board now, and I think the Wheat Board tries very hard to publish information that alerts farmers to what's happening in the international marketplace. In fact, even on our website there we have an analyst speaking from week to week on the markets just to have some understanding. But it's very difficult for a farmer just to take that and do something with it unless he's planning when he's going to sell or makes up a system of the future. There are other farmers that do have paid-for analysts that will recommend to them what to do. It's almost like their bible. They will do whatever their analyst tells them they should do.

NP: So, how do you determine what to plant?

BT: Well, I think first of all, farmers look at what they can grow successfully and then amongst that choice they will spread the mix around a bit. For example, soybeans have become quite popular in southern Manitoba. There'll be a big acreage this year again, and it's partly because the crop was quite good last year production-wise and price-wise. Of course, I'm always of the view that looking at last year's price for this year's crop is probably not a good idea. I'm at the point in my decision making where I'm doing it more for rotation than anything else, and always anticipating that if I have enough storage, I'll hold it until I think the price is right, or I might pre-sell some. But I personally don't get too worked up about it. I'm not trying to chase markets. Farmers in southern Manitoba will grow sunflower, soybeans, wheat, oats, in some cases corn, some edible beans. Percentages will just vary. There's two reasons for that. One is to cover the risk, but secondly, they can spread out their workload. Some crops have to be taken off late in the year and others are taken off a little earlier. Winter wheat is taken off very early, so they make their farms more efficient by spreading that workload around.

**[1:20:32]**

NP: So, over the time of your career as a farmer, or even remembering your grandfather and your father on the farm, has farming become a less risky business?

BT: Yeah. Yeah, it's less risky if you take advantage of the crop insurance programs and so forth. It's become maybe perhaps a bit more risky because of the investment you make on a year-to-year basis. Most farmers are what you would call sort of an industrial farm. You have a certain number of inputs you make, like fertilizer, fuel, and herbicides and so forth. There's a capital risk to that, but there are ways of offsetting that with crop insurance and so forth. But the costs are getting high enough to the point now where crop insurance coverage is not quite adequate because they are price based, price and historical production based. So, if the prices are low and they're anticipated to be low, the coverage isn't adequate to cover the major costs.

NP: Another major change would be on-farm storage as opposed to taking everything off to the elevator.

BT: Yeah. Farmers are building storage left, right, and centre now because of the distance to the grain elevators, first of all. Secondly, I think they're starting to come to the conclusion that perhaps having storage for crops for over a year may not be such a bad idea.

NP: It allows them to deliver when prices are better?

BT: Yeah. In some ways it would be considered old-fashioned to do that, but actually farmers are starting to think this isn't such a bad idea, if you can afford to do it. If some farmers are at a cash strap, they wouldn't be able to do that. But there's other things.



There's advances that are provided. Some companies provide advances before you deliver the crop. So, there's some ways of mitigating that risk. [Dogs barking]

**[Audio pauses]**

NP: Break. I'd like to spend a bit of time talking about the CWB because you have been very active in that for quite some time. There's just so many aspects that we can look at, so let's start with your own personal experience with it, how you first got involved, and we'll take it from there.

BT: Well, I started to appreciate the need to be paying attention to those institutions that were serving us in agriculture probably in the mid '80s. I hadn't paid much attention to it until then. Life went along and you did what you had to do. But then I became more involved in the farm policy organizations and understood the issues around the CWB in particular. As time went on, one of the people at the Wheat Board asked me to go down to the meetings in the US to just explain how our system worked and whatever. So, I did a bit of that. The more you become involved, the more interested you are in finding out more. Subsequently I became quite passionate about the idea that, especially with the loss of the Pools—which was happening to become publicly traded—that the Wheat Board was going to be the last institution that actually was there to serve farmers. I viewed it as farmers having some ownership, even though it's by legislation. I never intended to run as a director, but I did get involved in a rally for the Wheat Board when the Western Grain Marketing Panel was released. It was pretty hard on the Wheat Board.

NP: When was this?

BT: Back in '95/'96, in there. We didn't agree. Quite a few of us farmers didn't agree with what they were saying. It was done under the Liberal government with Ralph Goodale as minister. He wanted this Panel to make recommendations, so they made recommendations like this and some with all honesty. But some of the recommendations would have eventually meant the Board's demise if you looked long term. I viewed, as well as some others viewed, some real threats. One of the things I recognized from reading that Farm Marketing Panel report was the customer appreciation for what the Board did. The Australian Wheat Board and the CWB were ranked much higher than the other exporting countries for their service and ability to provide good quality wheat. So, that struck me. I said, "Why would we give that up? What is so negative about this system?"

**[1:25:53]**

I guess I just became more involved, and learned a bit more, and learned about the ability of the Board to negotiate with the railways, negotiate with grain companies on farmers' behalf and so forth. I became more passionate about ensuring that we never

lost it. '96, when that Marketing Panel report came out, we decided to hold a rally in Oak Bluff here in Winnipeg. We brought in about 1000 farmers and others to the rally to help the federal minister at the time, Goodale, to reject some of the recommendations in the Panel report. So, we got a lot of publicity about that. Then I thought I was sort of home-free, but we got involved in the new legislation that Ralph Goodale finally put on the table, and that was to have a farmer-elected Board to run it as opposed to appointing commissioners from the government. So, that changed.

The legislation happened in '98. The first board of directors was elected. They started to introduce all kinds of different--. Not all kinds. In the early days, there were a few pricing options that the Board thought farmers would appreciate, and this wasn't being done in the old system under the commissioners. Yet there's still the same antagonism to the Board by the same people. This change in policy to have different pricing options other than the Pool served some farmers well, and they were quite supportive of it, but there was still the same dogged determination by certain farm groups that they wanted it gone altogether. That debate was going on and off, and I was involved in public debates of various sorts. Then the fellow that was representing District 10, which I'm in, was going to step down and he encouraged me to consider running, which I decided not to do. [Laughs] I was determined that I wasn't going to get involved, but ultimately it happened. That's where I've been for the last five years.

NP: Going back to the organizations that object to the CWB, even in its revised form, what are the names of some of those organizations?

BT: Oh! Western Wheat Growers, certainly, and the Western Barley Growers have a longstanding antagonism toward the Board and regularly put out press releases complaining about one thing or another. But they're relatively small groups. In my opinion, they get a lot more publicity than they deserve. I think the barley group is about 150 farmers that are actual members. I've been to the annual meeting here in Winnipeg of the Western Wheat Growers, and just a smattering of members actually show up for the meetings, but they do have money. Their annual meetings are supported quite heavily by industry, so they do have the ability to function with hired guns to put out press releases. Now they have formed something called the Grain Growers of Canada which they are part of. The Grain Growers of Canada now, which sounds like a pretty substantive organization, they've taken on the same role as perhaps a more sophisticated unit of the same policies as the Western Wheat Growers and Western Barley Growers.

NP: So, those two are merged now into the Grain Growers of Canada group?

**[1:29:52]**

BT: They're both part of it. They're just members of the Grain Growers of Canada, along with the Canola Growers Association. There's a couple of Ontario groups involved with them as well. But on the other side of it, you've got the Canadian Federation of

Agriculture [CFA] which we're associate members of, which includes the general farm policy groups, Keystone Ag Producers, Association of Saskatchewan Ag producers, and Wild Rose Ag producers from Alberta, and the National Farmers Union and a few others. Dairy and supply management are a part of the CFA as well.

NP: Then do the Western--.

BT: Wheat Growers?

NP: Wheat Growers, are they members of those policy groups as well?

BT: No. No. Western Wheat Growers and Barely Growers are not members of the CFA. Their policy platform would be too different.

NP: Have they chosen not to join?

BT: I'm not sure. I would assume they would see no value in joining an organization like that because they wouldn't have the support by the other members for what they believe. The Western Wheat Growers actually were down and out here about four or five years ago. Somehow, they were broke, and we were under the impression that they were officially defunct. But somebody somehow sponsored them with some finances, and they got back up again.

NP: So, you ran for directorship, and you were, five years ago, elected. What did you learn about the Wheat Board from being part of the directorship that you didn't know before you were?

BT: Oh, boy. Well, I started to realize how complex everything was. There were some good mentors on the Board at the time, the other farmer-elected directors. I think it took me about two years to actually feel comfortable in the seat I was holding. I was scared to death of saying something that I shouldn't be saying as a result of a Board meeting or something like that. I learned to do that for the most part quite well. [Laughs] I guess the other thing, it is a major organization. Last couple of years there was put through \$7 billion worth of product. It's quite important to be very careful and to try to understand the nature of decisions that are being made, policy decisions.

I think one of the things, we have a very unique board. I guess there's no such thing as very unique. You're either unique or not. But we have four appointed directors and then ten elected directors by farmers, so if the government is not sympathetic with the current role of the Wheat Board, well, they'll put whatever directors they feel will serve their interests best and not necessarily serve the

interests of the Board. That would be the natural reaction to that. Fortunately, since I've been there, we've had two good CEOs—the first one, Adrian Measner, and the one that replaced him on a permanent basis, Ian White. I'm always impressed at their capacity and get to appreciate what a good CEO can actually do.

The other thing, of course, we were always concerned about is we were responsible to farmers and we have an obligation—or at least we have the option if not an obligation—to tell them how we vote at board meetings on certain issues. We can't tell them who else voted any particular way, but we can tell the farmers how we voted and explain why. So, I think we owe that to the farmers, so they know what we're doing. I think that was something I never thought I'd deal with, you know, that that was part of the politics of it. Somebody ended up calling me and saying, "How does it feel to be in politics?" I never used to think I was going in it for politics, but I guess it is an elected position.

NP: Over the time you've been there, what are some of the major issues that you voted on, or were up for votes?

[1:34:55]

BT: What would stand out? Well, we voted on something shortly after I arrived there called Harvesting Opportunity. It was a plan to set up a separate business component to the Wheat Board to become more diversified in what we did. That was a big deal. We had developed a pretty good plan and were willing to take it forward, but the current government wasn't interested. There's been so many votes. Votes on taking initiatives with the government. Very important and sometimes divisive, making decisions on introducing new programs. There's many of them gone through, and they're always somewhat divisive and need a lot of research before they're introduced.

NP: Can you give an example of one of those?

BT: Well, the program that we had called Daily Cash Pricing was a program that was introduced to simulate the American market for farmers. There was a lot of debate about it because some of our directors felt that it wasn't going to succeed for various reasons. Management provided their information, but in the end, the decision was made to go ahead. Well, two years later we found that it was a mistake and that didn't go. So, putting a program on in the system and then pulling it is kind of an awkward thing to have to do. Let's see. There's been some tough ones, but I wouldn't even want to--. Probably the toughest ones are still confidential.

NP: Oh, okay! Explain a little bit about the--. You said there were how many farmer directors and--?

BT: Ten farmer-elected directors, and four that are appointed at the minister's discretion. Then the CEO is recommended by the board, but the minister gives his final approval of that, which is a process we went through with Ian White.

NP: And what area is represented by the CWB? What geographic area?

BT: Manitoba west right into the Peace Country in BC. So, it's essentially Manitoba, Saskatchewan, and Alberta, and a small part of BC up in the northwest. It's called a designated area and, of course, it's surrounded on one side by boreal forest and the other side by the Rocky Mountains, so it's sort of a nice, clean boundary. We all have a production environment which is not too dissimilar. For example, even the Peace Country is not that much different than southern Manitoba—maybe a short growing season, but similar soils and production methods. I guess the other thing I found about the Wheat Board is we do a lot of self-evaluating and try to look for how we can provide more and more value to farmers. These are the subtle things that farmers don't see necessarily in their cash ticket.

But in terms of the market development is so important and I'm really impressed now with the branding program that has been undertaken. I don't know if you've heard of the branding program. We've always had a good reputation, and I guess the Canadian Wheat was always branded with our primary customers before. But the intention now—with some success already—is to put the Canadian brand on the retail package in the countries that we're selling grain to. So, we're trying to leverage the quality into something that's even more of a pull for Canadian products, so that the companies that we're dealing with will agree to use 95 or 100 percent Canadian wheat in those products that have our brand on it. The brand is simply "Canadian Wheat is Best" and then there's a small maple leaf with a CWB on it. If you've picked up a Robin Hood flour bag in the last year, you'll probably see that logo on the side of the flour bag. It's not just for foreign markets, but domestic markets in the hope that it helps to pick up markets even in Canada to get more grain being used in Canada. So, we're doing that in South America and Asia and Europe, and it's working out quite well.

**[1:40:12]**

So, the Board does so much more than what the farmer sees on the bottom on the cheque that he gets. I feel that it wouldn't be done unless the Board had the massive amount of flexibility and control over how the grain is sold. If you had three or four companies or five companies selling the same grain, they wouldn't make that investment in the same way they do now. The Australian Wheat Board, now that it's been dismantled, is a prime example of how that whole system had fallen apart. The branding aspect of it and the quality control is really taking a hit. Whether they'll be able to recover or not is hard to say.

NP: Tell me more about that.

BT: Well, it goes back. As I told you before, the Australian Wheat Board and the CWB were ranked highly by our customers. For some reason, the Australian Wheat Board employees, the senior staff of one sort or another, got involved in this Oil for Food scandal in Iraq when what's his name was still the dictator.

NP: Saddam?

BT: Saddam Hussein. Somebody blew the whistle on this.

NP: Say more about the--. What was the Oil for Food?

BT: Well, they would get involved with an agreement where if they were to make a deal with them, some of this money would be siphoned off by Hussein and his guys. That's not the way it was supposed to work.

NP: Like a kickback?

BT: A kickback. I don't know the details to be honest with you, but it created a huge scandal and subsequently over a year or two the government there decided to open up the market. Now the Australian Wheat Board is really a shadow of itself and is not even involved in selling grain anymore. It's more of a farm supply company. So, what the deregulation in Australia has done is had a lot of players competing for the same markets. Generally, lowered the prices in southeast Asia—customers don't mind that—but on the other side of it, they weren't getting the quality control that they were expecting either. So, the CWB had actually gained some more markets as a result of that, which is a good thing. That's why I just wonder, "Why are we trying to destroy a system that works so well?" I shouldn't say we are destroying, but our government is certainly trying to get the Board out of the system and some certain farmers too.

It's going to be one of those things if we do lose it, it'll be quite a shock for a lot of people. This freedom that they're wanting will be pretty hard to find. There's an idea that it's freedom to market anyplace you want. Well, there are only three or four major companies who you're going to market to. It's not as if they're not going to market to their own benefit rather than to the farmer's advantage. I just don't get it. I just don't get it.

NP: I'm not an expert on any of this, but one question I have is how would you see that personally impacting on you?

BT: Well, it's hard to say it would impact on me specifically, but what would happen is--. Essentially, I think what isn't being considered, we would eventually--. [Phone rings] Oh, that'll be Barb.

**[Audio pauses]**

NP: Impact on you. So, let me start up again before you start talking. Alright we were just discussing how the demise of the Wheat Board operation would have an impact on you as a farmer.

BT: Well, here's how I would see things happening. Say a decision is made at some point that the Board is going to become a voluntary Board, which means that it's ultimately going to die because it doesn't have any facilities, it doesn't own capital. It has nothing. It just has the legislation. So, you open the border. This is what attracted a lot of farmers and they want to do the cash-pricing in the US through their grain handling system. American farmers are not going to put up with that. That's one thing they're going to fuss about. Already there's tension about the fact that we're actually moving grain into their mills through the CWB, but that's been established as okay by NAFTA and by WTO. But what's going to happen, there's going to be a lot of political pressures to close the border, and we're going to have a border closed for a few years until things get worked out—might be four or five years—at which time all of our grain will have to be moved west or east, not into the US market.

**[1:45:17]**

Then, ultimately, things will be settled, and we will then be in a North American system. The idea that we're going to be distinguished in the market with our Canadian wheat brand and our discipline and all that's going to go out the window. We'll essentially be a homogenous grain producing area dealing with wheat the same way the American farmers deal with wheat right now. And I'm not interested in that. I take pride in our discipline right from the plant breeder designing, picking lines that are going to be beneficial to distinguish Canadian quality from other quality to the registration system that we have—the discipline there and the discipline in the Grain Commission and discipline in the marketing. Even the Canadian International Grains Institute [CIGI], it's all a long-integrated chain. That whole thing will disappear. That's my concern.

On my farm, it just means that I'm not going to be producing that special quality product that I'm used to growing. Of course, the marketing will be much like you market anything else, I guess. The buyer will offer a price with a certain basis, on a daily basis, and you'll have to make a decision whether you want to sell that way.

NP: You mentioned that it would be a North American market. Most of the companies that market grain, are they North American companies or are they international companies?

BT: Well, they're trying to become international. Viterra wants to become more international. They've got some holdings in Australia now, but they will definitely want to be involved more in the US. They've bought a major durum plant there now—not a grain-buying plant, but a durum plant—that used to be a farmer co-operative in North Dakota. They have strategically located some of their high throughput elevators along the border in southern Canada, so that's just a matter of time when they become international. Cargill, of course, is international. P&H and Paterson will have a little more difficulty in that market. Paterson is becoming more globalized. They call themselves Paterson Global, I think, now, and will try to stay in the market. I'm not too sure what the future will be, but it'll just be a homogenous system with the major companies dictating how the system works. And they'll decided whether they want to--. If we have a customer in Japan, which have always been the high paying customers for us, they will decide where they're going to source that grain from. It may not be from Canada. It could be from the US. It could be from Argentina. It could be from Australia.

NP: And what impact would that have possibly?

BT: It would make me mad. [Laughs] It would make me really angry. I just think, you know, we have a system in place that has discipline and knows what production they have to sell and can, through their discretion, feed the grain into the market at the right timing and at the right pace and at the right prices. You don't have that kind of control in an open market where the companies are looking after their own margins and, in this case, where they have a Wheat Board with discipline providing as much margin to farmers as they possibly can. I just have trouble understanding why people don't get it. Actually, there's been more people more recently, now that the co-operatives are gone—and maybe some of your interviewees have said the same thing—they see that the value of the Board is greater now than it ever was.

NP: Okay, now, we do need to close this off at some point, but I have a couple of quick questions. I think you answered this, but I'm going to let you expand on it in case you do. If you look back on your career, what are you most proud of?

**[1:49:53]**

BT: What am I most proud of? I'm proud of the fact that I actually liked what I was doing. [Laughs] I think I'm a very lucky person. Proud of, I think, having a reasonable level of integrity. I think people generally will—they may not agree with me—but generally respect that I'm not too much of a politician. [Laughs] That's maybe not fair. I don't know. I'm pleased that I was able to be involved in the way I was. Whether it's served a useful purpose or not, I don't know. Just having the ability and the time to be involved. I'm kind of glad I did it. Proud of it. I know a lot of people through that. The students that I taught in university, the breeding community, the grain community in general, I mean, what more could you ask for? Farmers.



NP: Most vivid memory of your farmer time?

BT: The one that sticks in my mind is when I was working off the farm and coming home at 5:00 in the afternoon, getting on the combine to combine some flax, filling up my tandem truck with about 600 bushels of flax on it, and then Barb coming out to field with some supper. I was deciding I didn't want to waste time just eating supper, so I was driving this truck home while I was eating. When I got to the farm to unload, back it up to the auger, got out of the truck and walked to the back, and here my end-gate was wide open. [Laughs] There's a trail of flax all the way from off the field into the yard. I think that's my most vivid memory. [Laughs] Not a good one!

NP: I think I've talked to you in the past about the project that the Friends of Grain Elevators in Thunder Bay is involved in. Have you had any experience with the terminal elevators in Thunder Bay at all?

BT: Not in Thunder Bay. The best I've done is the one at Bunge in Quebec City.

NP: Okay. Tell me about that.

BT: Well, I guess I was really very impressed. This is a unique terminal in the sense of the number of silos it has.

NP: How long ago was this?

BT: This was just about last fall. The number of segregations they can do. I was impressed with the mechanics of running a place like that. I was impressed with the loading and unloading. Just the size of that and thinking about how much your small participation in the grain system is. But in Canada we've got some pretty good institutions and that includes the terminals. It's a question of keeping them active and ensuring that they can be profitable enough to keep going. You know, there's always an issue of who's controlling the terminals and how much concentration there is in terminal ownership, and that's changed for the better in the last little while. I think there was an alliance terminal that was bought in Vancouver which opened up things a bit. Having more independent terminals other than the primary elevator companies is important.

NP: Why would you say that?

BT: Well, the primary elevator companies that have their own terminals are not terribly interested in having producer cars loaded because they want their grain to go through their primary elevator and capture the handle and weight from the get-go. So, it's

always been a bit of an issue of grain companies with terminals having an agreement with a farmer to actually unload his grain and having a buyer for it at the other end. In fact, 99.5 percent of the producer cars that are loaded are wheat and barley, most of them wheat, and that's because the Wheat Board facilitates that process.

NP: So, it's a question of competition again, having a choice of--.

BT: Yeah. It's having somebody that isn't tied to a primary elevator in the Prairies operating the port. You'll find that one company now in particular--. Oh, what's the grain company? Very active in producer car loadings.

NP: Mission?

BT: Mission! They're really working hard at people using producer cars and doing some of the things that weren't done in the past. For example, guaranteeing a grade at loading and ensuring that that will be the same grade they get when they unload. Various things like that. Of course, they have their terminal there which is very helpful. So, yeah, the issue of choice and monopolies and whatever, there's a context for everything. People will complain about the Wheat Board being a monopoly, but it's a monopoly that serves me and provides the competition and the leverage in the system that I think the companies need to have.

**[1:55:45]**

NP: If we were ever successful in getting a little grain—and we're focusing on international—international grain trade museum and activity centre, obviously the producer is a piece of that. What would you want most represented in that open to the public?

BT: Well, I think you have to have a balance of things highlighted, but certainly the production side has to be there. Showing the flow of grain to the terminals. That seems obvious. But I think it would be useful to highlight some of the things that go on behind the scenes. For example, how is the grain industry organized, even regulated? Some of that things. It's not just about having pieces of machinery to look at or whatever. How you'd do that, I'm not too sure. I'd have to think about that a bit more.

NP: Interesting you say that because that's one of the things in this project that I've learned is just how much of the infrastructure is not physical infrastructure—it's legislation, it's research groups, it's co-operative efforts. It's not easy to make that interesting, but it's essential.

BT: Yeah, it should be there. I was reading Bill Morris's *Chosen Instrument* recently, just bits and pieces of it. Have you--?

NP: I've not read that.

BT: Well, it's a tough read because it's so complicated, but it goes back to the origins of the Pools and then the Wheat Board and into the second war, and subsequent to the second war and the people that were involved in that complexities. The Liberal Government that took over from Bennet was actually not very supportive of a Wheat Board, and they were trying to figure out a way to get rid of it as quickly as possible, but the events of the war and whatever changed everything. Bennet was actually more of a Liberal than the Liberals were, I think. In fact, it was noted that he was the one that we can thank for having the CBC. At that time, I think he started up the Prairie Farm Rehabilitation Act and, I think, the Prairie Farm Assistance Act and various things like that, which is pretty socialistic.

NP: Final question. Anything that I should have asked you that I didn't?

BT: Oh, I don't know. My brain is so wound up on different things, I don't know if I'd think of anything in particular. There's so many things about director elections. There's a controversy around every director election.

NP: Well, let's do it this way. That it's almost unfair to interview you about those things while you're still a director, so we'll do a second interview when you're able to.

BT: A second one later on. Which might be a couple of years from now.

NP: Yes! [Laughing]

BT: Okay?

NP: Well, thank you so much for the interview. It's been an eye opener.

BT: I wish I could make it more interesting.

NP: Oh, I found it very interesting. And some quotable quotes for sure. Thank you.

**End of interview.**