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Summary: Former head of commercial and government relations for Saskatchewan Wheat Pool and current consultant for Viterra, Richard Wansbutter discusses his career in the grain industry. He describes his first grain-related job with the province of Manitoba on a study of rail line abandonment, then his involvement as provincial representative on both the Hall Commission and Snavelly Commission studying the grain transportation system. He describes the impacts on the industry after the recommendations from these studies were put into place, as well as the cyclical nature of the industry's prosperity. Wansbutter discusses the major change of eliminating the Canadian Wheat Board and the transition to a new marketing system, explaining the changes, positive and negative. He recalls joining the industry through SWP subsidiary AgPro, then joining the Pool itself as the vice president of marketing. He explains the end of the era of cooperatives, the Pool's financial troubles, and the creation of Viterra. Other topics discussed include logistical issues with grain transportation, the port of Churchill, the disappearance of the Canadian Ports Clearance Association, his remembrances of Thunder Bay, the globalization of Canada's grain industry, and his pride in growing the company of Viterra.

Keywords: Viterra; Saskatchewan Wheat Pool; Government of Manitoba—Department of Agriculture; Grain Transportation Agency (GTA); Grain transportation—rail; Railcar allocation; Rail line abandonment; Hall Commission; Snavelly Commission; Consolidation; Country grain elevators; Grain export destinations; Boxcars; Hopper cars; Grain trade—laws and legislation; Government subsidies; Canadian Wheat Board; Single-desk marketing; Free enterprise system; Grain transportation logistics; Farmer cooperatives; Crowsnest Pass freight rate; Non-board grains; Grain varieties; Agricultural economics; Agricultural policy; International trade; Grain marketing; Canadian Ports Clearance Association (CPCA); Terminal grain elevators—Thunder Bay; Terminal grain elevators—British Columbia; Churchill; Manitoba Pool Elevators; Alberta Wheat Pool; United Grain Growers; Amalgamation

Time, Speaker, Narrative

NP: This is Nancy Perozzo conducting an interview on September 14, 2015, at the Hotel Fort Garry. I'll have our interviewee for today introduce himself and, I guess, since he's still working in the industry, if he would just talk about his current work in the industry, and then we'll move on and delve more deeply into your career.

RW: Certainly. Well, my name is Richard Wansbutter, and I am currently working as a consultant to Viterra, and that was my previous employer. So I've been in the grain trade since June of 1973 and in various positions with the province of Manitoba, the federal government, CN [Canadian National Railway], and since 1992 with Saskatchewan Wheat Pool, which then became Viterra.

NP: So going back quite a ways, how did you first--? What was your first involvement in it, and how did you get involved?

RW: Okay. I'm unlike a lot of people who work in the grain trade and certainly for grain companies. I did not come from a rural or farming background. I'm a city boy. I was born and raised and educated in Winnipeg. I've spent most of my life in the city with some other--. Spent a short time in Regina, living in Regina, and then a short stint as well in England. My involvement was quite by accident because I was in an honour's economics. I was planning to go back for my master's. I was looking for a summer job, and at that time, the province was looking for someone to work on a Canada Grains Council project dealing with branch-line abandonment. It was known as the Brandon Area Study to determine the impact of branch line closures on the communities affected, and then in a larger context, the province as well.

So I was hired as the economist to look after or to determine the road impact effects of abandonment as well as the socioeconomic impacts on the communities. And this was all new to me. I only knew about grain elevators from a distance, and so it was a pretty steep learning curve. You know, that study wrapped up in January of '74, and then we went on the road explaining or discussing the results of the study. It was a rather rocky introduction because I remember when I gave the presentation--. You appreciate, I'm just out of university. I'm not used to public speaking. This is not my area of expertise—far from it—and when we gave the presentation, I was one of the first up, and to say I did a horrible job would be an understatement. I was stumbling over my words. I was very nervous, and then when the questions came, I just--. As I joked many years afterwards, my blood was flowing everywhere, and I figured--. I remember very distinctly that, "I've had enough of this with the grain trade. I'm going back to school."

A couple of farmers after the meeting came up and said, "Well, we gave you a bit of a rough ride." And I said, "You think?" They said, "Come on, let's go curling." And I said, "No, no, no. It's like 11:00 at night. I'm done." "No, no. Come on." So they opened up the curling rink in Hamiota, and as I found out, which can be somewhat typical with a lot of farmers and not that this is a bad thing—the 40 ounces of rum came out. And after getting to bed a four in the morning, I figured this wasn't a bad industry to be in.

Fast forward, here I am still involved. So that was my introduction. Stayed on with the province to work primarily on grain transportation issues, and then moved on from there.

NP: Maybe if we could just have a rapid fire where that moving on from was, but don't go into any detail because I'll delve into that as we go along.

RW: Okay. So I joined, as I say, in the summer of '73 with the province, and then was just simply on contract, became full time. I stayed with the province until 1980. Then an opportunity arose to join a brand-new group that was established by the federal government. At that time, it was called the Grain Transportation Authority [GTA] to deal with car allocation issues between board and non-board. That was becoming a very serious issue with the grain trade and how many cars they would be receiving. So I joined, as I say, the GTA in 1980, stayed until about 1990.

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At that time, what happened, I was very, very lucky. CN had an idea about doing some executive interchanges, so I had the opportunity of going with CN for a year, and I worked in their marketing as well as in their operations section. One of the fellows from CN went to Alberta Wheat Pool, and one of the CN fellows came to the GTA just to have a little bit more exposure for those working in their respective companies to what other elements do. That convinced me that I really wanted to be directly involved in the trade. When you work for a government or government agency, you're somewhat removed, and I loved the industry so much I really wanted to work for a company.

An opportunity arose to join, at that time, AgPro Grain, which Saskatchewan Wheat Pool set up as a totally separate entity. They wanted to try different management, different operating style, and set up this wholly owned subsidiary. So I stayed with them until about-- No, I say stayed with them. I worked at AgPro until '94, and then my boss was promoted to the head of the grain group at Sask Wheat Pool. He brought me over as vice president of marketing, and so I've been with the company, Sask Wheat Pool, in its iteration later on into Viterra until the present time. And then we were-- Viterra was bought out in 2000—I'm trying to remember—2013, and so there's a whole host of changes to the management team. I had left, but I was asked by the CEO if I was interested in coming back, and I said, "Certainly, on a consulting basis." So since '13 for the last couple of years now, I've been with Viterra on a consulting basis.

NP: So let's follow through then on the different experience, and perhaps if you would, just as you think about what you've accomplished, some of the challenges and changes that have occurred. I like the way you actually described your first experience

because that's exactly how I'd like you to proceed with the others is a general overview of what the job entailed and some highlights of memories that have had an impact on you.

RW: Certainly. You know, sometimes when I pause and reflect on the changes, when you're in the day-to-day you don't really take maybe notice of it, but when you reflect on it, the changes since '73 have been truly significant and without, I don't think, a risk of overstatement, massive. When I first joined the province, what was becoming the hot topic was the railways. Their claim was they weren't being compensated for the carriage of grain, and they were losing money. There was a lack of investment. It became a bigger and bigger issue, so they wanted to shed branch lines to reduce their costs. So that led me into when I was working at the province, which was certainly one of the highlights being the provincial representative to the Hall Commission. That was back in, as I say, the late '70s.

Justice Hall was appointed by the federal government to look at the branch lines across the Prairies and what made sense or economic sense to abandon because the railways had all sorts of restrictions on what they could do as far as abandonment, a whole host of regulations. So that was a massive undertaking by Judge Hall, and I was doing the provincial input from a Manitoba perspective. That led to a whole host of recommendations on what lines could be abandoned or shed by the railways.

NP: Before we go on there, can I even go back to your first experience when you had that wonderful time in Hamiota? You mentioned that you not only looked at the economic, but you also looked at the social impacts of it. Can you remember--?

RW: Certainly. Because, see going back into '73, the elevator network was ten times what it is today, and so a lot of the communities when you had an elevator in town, that would bring producers or farmers into town. They would spend money, whether it was on gas or buying supplies or to the local facilities like restaurants, et cetera. So with the concern being of the reduction of the elevator network, a lot of the towns would be negatively affected, and they were quite legitimately concerned about their livelihood. But at the end of the day, what I distinctly remember was that, "But can you prevent development just for the sake of retaining a branch line or a number of elevators?"

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Because by then what had happened, the elevators were in a lot of the smaller communities—I'm talking in much smaller communities—really the elevator was the last commercial enterprise left. What I mean by that is that the province—it wasn't unique to Manitoba—but the provinces have gone through massive rationalization as far as the school system, closing a lot of the small rural schools. The second thing that happened was significant rationalization of medical services, and again rationalizing them and consolidating them into larger centres. So that community impact had already started, and really the last—and when I say

last, one of the few last items—was the elevator network and the elevators that were present in those communities. So it certainly had an effect. If you look now, a lot of the towns, they're much, much smaller, really don't have any services and rely more on the larger rural communities.

NP: Would you say that as you—and I guess in a sense, you have—as you look back, were the findings and the predictions, did they turn out to be as anticipated? Were they, could you say, largely positive, largely negative, or a combination?

RW: That's a tough one. When I say a tough one, it depends what side of the fence you're sitting on. There is no doubt it had a big impact on the rural communities as the system started to evolve, and there were other impacts like rail costing and what the railways were ultimately compensated for or how they were compensated. So that elevator network rationalization was part of a process that just kept on going and was accelerated by a whole lot of other factors, so it certainly had an impact.

But on the other side, it did make the system much more efficient. In my view, I think ultimately when you fast forward 30 years or 35 years, the system is much more efficient from a logistics point of view in how grain is gathered, marketed, and transported. The logistics are much more refined and much more precise. So I think--. And that in turn allowed us to be more competitive as grain companies in purchasing farmers' grain. So arguably there was a net benefit, ultimately, to the farmers as well as to the system. So from my perspective, I think there was an ultimate net benefit, but there were significant impacts on the local communities.

NP: Moving on then to your work with the province and with the Hall Commission. I don't think anybody speak about—well, perhaps with the exception of Paul Earl—speak about it is Justice Hall?

RW: Yes, Justice Emmett Hall.

NP: Yeah. What are your remembrances of him or your sort of impressions of him, and how and what he had to handle? Because it's a pretty massive--.

RW: Well, not only was it massive, my recollection or my view on why he was hired given his background as a justice, having to deal with complex issues, yes, from a legal perspective, but issues that you would have polarized views. And certainly, that was very true in his review. It was extremely political—a lot of animosity with the railways on one side arguing for freedom to reduce their costs, communities and the province and others arguing to retain it because of the huge impact. So as I say, it was a difficult time, there's no doubt about it, but as I say in the end, it was ultimately deemed by Justice Hall that there should be rationalization allowed. Not as much as the railways wanted, but certainly a significant amount moving forward.

NP: In those discussions--. So this is—correct me if I’m wrong—this is the whole Crow Rate issue was--.

RW: No, that’s the second step.

NP: That’s the second step, okay.

RW: Yeah.

[0:15:00]

NP: Because we have a particular interest in Thunder Bay, the port of Thunder Bay, upon which the Crow Rate and even, I think, the efficiency of the rail system, the ports would have an impact as well. Was that a part of the--?

RW: Yeah, the ports were most definitely affected, but it wasn’t just because of rationalization and the Crow Rate, although that certainly had an impact, but it had a huge change on the--. I mean, the ports were ultimately affected by significant changes in where grain was marketed to. If you want me to touch on that?

NP: Sure, why not. We’re talking about it. We may come back to--.

RW: Well, you see, back in the ‘70s, you have Thunder Bay, it was an extremely active port. If you look at all the terminals that were operating at the time. It was all boxcar unloading, but a lot of the markets at that time were into--. Like Britain was a major purchaser, into Europe, and there was a huge consumptive demand. But what happened over time is that as the Asian economy started to improve and to accelerate—again, I’m talking about a 30-year time horizon or 40-year time horizon—a significant shift over time from the East Coast to the West Coast.

We have over capacity today, arguably. I believe we do, over capacity in the eastern system—Thunder Bay and the St. Lawrence—versus what we have in the West Coast in Prince Rupert and Vancouver. And why I’m saying that is the demand from Japan increased, but what was also significantly dramatic is when China started buying. Like China is one of our major customers, certainly on canola, but it’s also on wheat. It’s also on, for example, flax. So you had that big growth in Asia, not only China, but in Indonesia. Bogasari Mills out of Indonesia, a huge, huge buyer of western Canadian wheat. So you have that in Indonesia and in that Asian area. India, another good example in the subcontinent. Certainly, if you look at today the amount that they buy from us on special crops or pulses like peas and lentils and beans, huge.

So that marketing piece had a huge impact, but there's no doubt that the rationalization in the system and ultimately the changes--. For example, although this would be a good thing, I mentioned Thunder Bay unloaded boxcars. Well, they don't really exist anymore. Well, certainly they don't really other than for some pulse commodities. Really, it's all hopper-car movement, so you had all those boxcar dumpers ripped out. We moved to hopper cars, much more efficient. Versus carrying 50 or 55 tonnes a car, they carry now 90 tonnes a car. Almost twice as much, so you didn't need the same capacity out there for unloading, and that's sort of leading to the rationalization. But again, it wasn't just the costing. It wasn't just the Crow Rate. It was also the marketing piece.

NP: And it's my understanding as well that sort of measures for self-sufficiency, the European Common Market being an example, also reduced markets through the eastern system that had existed before.

RW: Well, it's not only the increase in production within Europe. Like if you look at commodities like Europe is a huge producer of rapeseed as well as wheat. I think on a net basis, they're probably in a positive position. But there's the other aspect which is the changing in trade flows is a much greater--. Certainly, you look at today the supply coming out of the Eastern European countries at the Black Sea. The Ukraine's a fairly large player of movement of certainly, let's say, feed grains or lower quality wheat into Europe. Poland and Ukraine are fairly large producers of rapeseed or canola, so again, that changed things. So the competitive dynamics changed.

NP: Since we're talking about this change in markets, maybe we can throw in here the change resulting from the change in Canada's whole wheat marketing system with the elimination of, essentially, of the Canadian Wheat Board [CWB].

[0:20:06]

RW: Can I go back to one element though?

NP: Oh, sure.

RW: Just looking at it, when I say sequentially, we may not want to do that, but I think the other aspect that was extremely--. When you say what I was working on and what were the major changes that were significant is that after the Hall Commission, the federal government appointed a US-based consultant by the name of Mr. Snavely, and he conducted a costing review of the grain transportation network. I go back to my earlier point, the railways claim that they weren't making enough money—in fact, were losing money—hauling grain, and so that was a significant review. The provinces were quite actively involved, and I was, again, a provincial rep on that. Ultimately, from commissioner Snavely's work, the railways were losing money and that they should be compensated because there wasn't investment taking place.

In fact, you may be aware—or I’m sure you’re aware—is that initially the Wheat Board bought hopper cars because the railways weren’t investing, and then the federal government undertook a fairly significant investment and purchase of hopper cars to provide for the railways. That was just a stop-gap measure. You can think of it as a subsidy just in another form, but ultimately the railway rates would have to be changed. The government agreed to provide a subsidy between the Crow Rate and what the deemed rate should be, and then ultimately there were changes to that where now the farmer pays the full freight rate. So that had a big impact on the farming community and in turn how we marketed grain.

NP: Just because I may forget, how is Snavelly spelt?

RW: S-N-A-V-L-E-Y. Yes, S-N-A-V-E-L-Y. Yeah.

NP: Okay. And what were his credentials?

RW: Oh, he had spent as a consultant--. Like I’m trying to remember his background. I honestly don’t recall, but as a consultant he spent a significant amount of time doing costing reviews or working with shippers on presenting their cases for rates or rate reductions. So he had a significant amount of experience in railway costing and railway costing matters. It can be quite complex and quite detailed, and he certainly had a significant background, albeit from an American experience, but really being a North American operation the way we move grain that the experiences weren’t all that dissimilar. So he was certainly well qualified.

NP: Again, I just love dealing with you or talking to you about this because you were involved in these major changes, which were just precursors to other ones that we’ll talk about later. But you also have the advantage of now being able to look back and say, “Well, did we accomplish what we hoped to accomplish?” So with the changes in the rates, making the industry profitable to the railways, did everything turn out the way it was supposed to? Was there that, with the profitability to the railways, was there increased investment in rolling stock, system upgrades, et cetera?

RW: Okay. Yeah, let me--. I don’t want to overstate it, but arguably we were in a crisis situation. When I say crisis, it was becoming very, very severe. As I said, the railways weren’t investing, certainly not in the hopper car fleet. A lot of the maintenance on their branch lines have declined significantly, lower operating speeds. Sometimes you couldn’t operate because the track was out or whatever. So with those changes, they did start reinvesting. Already the hopper car fleet had been provided, a large part of it—about half of it depending on maybe less than half of what the railways required—so there was investment in rolling stock. Allowing them to abandon branch lines, the lines that they did keep there was a lot of upgrading that took place because a lot of the

branch lines were 180- or 220,000-pounds carrying capacity. They increased the network to 263, so it received efficiencies there. So that certainly improved, there's no doubt about that.

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Now the other thing that happened which is important to this is that when I joined the Grain Transportation Agency, again, I was seconded at that time to work with Dr. Gilson, and Dr. Gilson--. As I said, what Snavely had done was look at the costs. Railways aren't making enough. The federal government then started providing a subsidy. Things don't last forever, notwithstanding the fact that the Crow Rates were supposed to be in perpetuity. The government at the time, which was a Liberal Government, Jean-Luc Pepin appointed Dr. Gilson to look at the whole subsidy structure, which ultimately led to the farmers paying the full freight rate. Now, there's a number of regulations behind that.

Now, to answer your question about the impact and the benefit, on one hand, you had an improvement in logistics because of the investment in the network. But the thing that happened concurrently because everything--. Arguably, most things in life it's about timing. Like a lot of businesses, we go through cycles. When Dr. Gilson was appointed and when ultimately Pepin made the changes to the rates, we had a significant shift in markets, and you had a fairly substantive increase in prices. So although the farmer was paying more for his freight—quite a bit more—on the other hand, he saw a fairly dramatic increase because when I talked earlier about shifting markets and the Asian markets exploding, having an increase in overall consumptive world demand, and of course, found an increase in price so there was a net benefit.

Now, that didn't last forever because, as I say, you have cycles, but the timing was very, very fortunate for the federal government, which I was working for at that time. When I say fortunate because the timing was right. Prices were up, farm income was up. So the overall impact was certainly muted. So there was a net benefit overall, but not just because of the investment, but because of what happened to the markets.

NP: And when, because over that time there was also dips in prices--.

RW: Absolutely.

NP: How did that play out?

RW: Well, we've had over--. You're quite right is that the business we're in, it's extremely cyclical. One thing about farmers that never ceases to impress me is--. And I don't know how much people really appreciate or realize the amount of risk that they take.

Yeah, businesses take risks and make investments, but with farmers—and I’ve dealt with a lot of farmers—when you stop and think, no, it’s pretty well each year. I’m not going to say they put their entire livelihood on the line, but each year is you spend an awful lot of money on the seed, on the inputs, on the equipment, and you’re hoping that the prices are enough to at least cover your costs and hopefully make enough money for next year. A huge amount of risk.

After that, we did have a drop in prices. That affected-- I’m going to give you a personal perspective. So by that time, I was working for Saskatchewan Wheat Pool. Markets were good. Pretty buoyant prices were good, and you may recall Saskatchewan Wheat Pool went under a fairly significant expansion. It no longer wanted to be confined to Saskatchewan, came out with Project Horizon to build elevators across the Prairies. When we talk about timing, it looked good at the time, but in a short two years, the markets turned against us, production-- We had a couple of bad droughts, and that almost put Sask Wheat Pool-- Now I’m talking late ‘80s or very early ‘90s when I joined, as I said, with Saskatchewan Wheat Pool in ’93. By the time Mayo Schmidt came, I don’t know how many people really recall or understood how close we were to bankruptcy. I mean, we were on the precipice. We were just-- Arguably it was for some of the bad decisions we made, but it was in combination maybe with not the best decisions, but also with an issue of falling prices, of droughts, and such, less production, less grain to handle, less grain to export, which significantly impacted us at that time.

And I remember, again, when I talk about timing, always try to remember we go through cycles because when you mentioned Paul Earl, Paul, I think you know, was a professor at the university. He would ask me to, once a year, to give a lecture to his grad students. I remember in those ‘90s, early ‘90s, giving the presentation, and I would ask the class—it’s a graduate class, so it’s small, 10-15 people—“How many were looking at going into the Ag business?” And half, three-quarters would. And my response was, “Don’t.” Because really it wasn’t a very, well, I say fun time. It was tough. No one was really making money. The farmers certainly weren’t. Grain company margins were extremely thin, markets were very, very tough, and it was just a tough slog. It really was, and it was extremely difficult.

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I remember those days so clearly wondering, “Are we ever going to get out of this?” Because fast forward when Mayo Schmidt came on in 2000, I said we were on the verge of bankruptcy. We stripped our costs out as a company. We became very, very efficient. I would argue one of the most efficient if not the most efficient company at that time in the system, and yet we still couldn’t make money. And then--

NP: So what were the--

RW: And then things turned.

NP: Yeah. And what were the major focus points of becoming lean? What went?

RW: Well, at that time, certainly by the time of 2000, Saskatchewan Wheat Pool had all sorts of investments. We were involved in livestock. We had an ownership in Robin's Donuts. We had a plethora of a number of subsidiaries. When Mayo came on and said, "Look, we're going to concentrate on what we do best and what we really are, and that's a grain handling and marketing company," and stripped away all those peripheral companies, reduced our cost structure. It was very painful. A lot of people got let go. That's never easy—totally revamped internal procedures to streamline them. As I say, we stripped out--. And as I say, with a lot of pride, the company that we were ultimately left with at that time by 2005 or 6, as I say, was an extremely efficient company and able to change its cost structure and continue.

I think the proof there is not only did we survive, we were able to refinance. Now again, markets started changing again to the good. We stripped out our costs, started making profit. Margins were good, allowed us to reinvest in the system, allowed us to expand internationally. We got involved in the US. We bought a company in Australia, and we became an international company. I guess one would look at it and say, "I guess you were successful because ultimately someone thought you were a pretty good buy and purchased you." So.

NP: So let's--.

RW: You mentioned the Wheat Board. I don't know if you want me to touch on that now.

NP: Let's.

RW: So we've had massive changes in the system going from the infrastructure of the railways and ultimately the infrastructure of the grain network that changed dramatically. The railway costing changed such that railways were now being compensated for what they deemed was appropriate for the haulage of grain. The railways changed--. One of the other huge impacts—I have to mention this—is that the railways changed their pricing. Whereas before everything that we pretty well moved was on a single-car rate, but the railways put in multiple car blocks. So if you moved 100 cars, you had a discount of \$6 a tonne. That's significant. At that time, I think it was \$6. I'm trying to remember. Maybe it was \$5. And about half of that for 50-car units. That change in itself really, I would argue, that was the single biggest impact on rationalizing our network because we looked at it saying, "We can't afford keeping small elevators that load five and ten cars at a time. We're going to consolidate, go to larger elevators." So that had a huge impact.

The one piece that didn't change through all of this—through the '70s and '80s and '90s and into the new century—what didn't change was the marketing piece. Internally, referring specifically to the Wheat Board. You had the Wheat Board, as you know, being the single desk and having monopoly power over wheat and barley and durum, and at one time oats, but they gave that up—the trade being responsible for the marketing of what we called non-boards, which was primarily canola, but flax, oats, and certainly pulses. Back in the '70s, I remember because that was really quite a small portion—I don't know, 20 percent, 30 percent—of the total movement, but as you started moving into, as I say, the '90s and the new century, it was well over half.

[0:35:34]

NP: The non-board grains?

RW: Non-boards. And from a value perspective, canola alone, depending on the year from a value perspective to the farmer, the gross receipts on canola would have exceeded wheat and durum. Maybe not in tonnage, but certainly in value. So what started happening is, again, for a lot of farmers—and it wasn't just farmers—but there started to be--. Because I remember, again, when I say "clearly," is that in the '70s one thing you didn't really talk about was the Crow Rate and giving that up. Yeah, the railways had to be compensated and there was a subsidy. That's fine.

The other thing you didn't talk about was the Wheat Board's single desk. I know you asked me earlier about things I can't say or will say, but I'm trying to round this out. I don't think it's no secret at that time that Sask Wheat Pool and the Pools in general were very supportive of the Wheat Board and the single desk. I'm not saying that's bad or good. I'm just saying they were very supportive. But that started changing because, as I say, as we were trying to become more efficient, there were a lot of issues with trying to marry a non-board program with a Board-program from a logistical point of view.

Growing angst within segments of the farming community is that, "Why can't I have the right to market my wheat where I want to, like I do on non-boards?" There may have been a need during the war years for the Board, and as we came out of the war years into the '60s and '70s, but that was an antiquated system, and as I say, there was a growing ground swell by a lot of farmers. I'm not going to give you a percentage, but a lot of farmers wanting to see those changes to become masters of their own destiny of, "Let me market. I have the wherewithal. Let me market it."

Of course, the other side—I say of course—but the other side said, "There's strength in having the single desk, being able to extract greater prices. There's efficiencies from selling from a single book as opposed to many." You have these very, very polarized views, and it was extremely divisive. It was very, very heated, very emotional, and you still have some of those emotions today.

But at the end, when the Conservatives made it very clear that one of their objectives when they were elected was to very bluntly do away with the single desk, that farmers should have choice in how they market. Ultimately, that decision was made. Here we are today. We don't even talk about boards and non-boards. It's the grain that we market on behalf of producers.

I really believe, again, from what I have seen that it has been a benefit to farmers. We're very, very competitive out there. They have a multiplicity of choices of who they market to. I think we've been more efficient in reducing our costs and able to offer better prices, and I think at the end of the day, when you gross everything up, I think farmers are better off, and I think the industry is better off with that change.

NP: I have a question about that, and it--.

RW: Not everyone ascribes to my view. [Laughs]

NP: No, no, and that's why we interview all kinds of people. And I'm going to pour you some coffee while I'm talking rather than while you're talking. I guess--.

RW: Thank you.

NP: There are those who would wonder about the increased choice of where you market to. I think the issue there relates to something you talked about a lot earlier on and that is as the elevators within ten miles of the farm disappeared and the growth of the inland terminals became the way things are done, are the logistics of the current system—because of the distances that farmers have to travel within their region in order to deliver—is the choice limited now by that as opposed to whether they--?

[0:40:45]

RW: No, that--.

NP: They deliver to--. They may have gone to a community where they could deliver to UGG [United Grain Growers], or Manitoba Pool, or in Saskatchewan, Saskatchewan Pool, Paterson, or Richardson's.

RW: Yeah. I would submit that that choice is greater now than it ever was.

NP: And what's your--?

RW: And why I say that is that, again, some of the other significant changes. When I cast my mind back when I was involved in the Brandon Area Study and how much grain was moved by half-ton and one-ton trucks, you really didn't have much—you had some—but really not much of a commercial movement. Nowadays, it's mostly big B-trains that are moving grain off farm into elevators, and my point there is that once you have that semi-trailer or B-train loaded with grain, for it to go another 20, 30, 40 miles, the incremental cost isn't all that great. If they can get a better deal at the elevator that's 20-30 miles away, they will do so. So that's where the competitor factor is really improved. The other aspect which has dramatically changed is processing on--.

NP: Before you go onto that, could you explain because people--. This is the first I've heard "B-train." I think I know what you're talking about. Tell us what a B-train is.

RW: Oh, a B-train is when you have a semi-trailer with two units. Okay. But the other thing that's changed dramatically as well is look at canola crushing, how much is processed on the Prairie. Look at Yorkton. You have two massive facilities. When they first built them, everyone was shaking their heads saying, "You can't support two facilities at 750,000 tonnes each in Yorkton. You guys are idiots." I remember all the press commentary that there's no way. "Dreyfus and Richardson are going to build. They're going to beat their brains out, and one's going to fail." And what do we have today? Both of them are expanding! Richardson just went through a major capital expansion.

And why I raise that and why I think that's so important is that there's a lot of competition for farmers' grain. We've had additional processing. So you've got a million and a half, 1.8 million tonnes of capacity out of Yorkton alone in that investment. You've got Cargill that doubled its facility at Clavet just outside of Saskatoon for canola processing. Richardson just increased its capacity for its plant in Alberta. You have ADM and Bunge making massive investments in crushing, so that really took us from a couple million tonnes of crush if that to now, what it is, almost 9, 9.5 now? That's huge! And that increases competition. So a crusher is able to draw grain from a lot further away through dealing with a value-added product. So they might be willing to pay more to bring that product in.

NP: Have companies also offered subsidies to farmers to deliver to them that reduce any distance issues?

RW: Yeah, I don't know if I'd call them subsidies per se, but we--.

NP: Incentives?

RW: Yeah, that. We choose to use the word incentives, and that certainly exists. We've had as--. And as Viterra, we're no different, or Sask Pool as Viterra, no different than other companies offer incentives to farmers for commercial trucking. A lot of time--. And we've certainly done that, and that's common practice. It isn't sometimes as straightforward as that because, you know, companies are always making deals with farmers that, "If you'll deliver your canola in addition to your wheat, we can give you a different package that's more attractive to you."

NP: Because of the, from what you've said—correct me if I'm wrong—the ease of farmers marketing canola because of the demand, and the closeness of the crushing plants, has there been a significant change even beyond what you were talking about earlier in the acreage for wheat and barley?

[0:45:15]

RW: Oh, yeah. Well, thank you for reminding me. If you look at historical cropping patterns, that has changed significantly over time. As I said, we were growing in the '70s a preponderance of wheat, durum, and barley. There's always been the minor crops, et cetera. But if you look now, 15, 20 million acres of canola. And if you look at dramatic increases in pulse crops--.

NP: That means nothing to me because I don't know what you're comparing it to.

RW: Well, from--. If you look at what do we produce on the Prairies, depending on the year, 60-70 million tonnes, and tonne per acre, roughly 60-70 million acres—just very, very round to give you order of perspective. Going from next to nothing to 20 million is pretty big, and that includes acres that are under forage, et cetera—so just about overall production. So you've seen production shifts in certainly canola and pulses. Peas are huge, a huge part of our business, as they are for farmers.

I'm going to go back to the Wheat Board. When people have argued, when I've had discussions with individuals about the Wheat Board/non-board system, they say, "Well, you need the Wheat Board to protect farmers from grain companies, and the Wheat Board to market because they get a better price." Not that I'm trying to be antagonistic or anything, but my comment back to my farmer friends or to who would make that argument or to farm associations that were staunchly opposed or even to my Wheat Board friends—and I do have friends there—is a combination of, "If that's true, then how do you possibly explain the explosive growth in non-board grains? If all those factors are true that somehow we were taking advantage of farmers, that they weren't getting the returns, that just doesn't make any sense. They were growing canola because it was a cash crop, because it provided a better return on a per-acre basis to them. They got into pulses for the same reason."

NP: Am I correct in my memory that growing wheat is—or is it just barley—that is a difficult crop? Like from the farmer's perspective, is there more risk in growing wheat than canola?

RW: No.

NP: Just from a--.

RW: I would say no. Wheat's been with us for 3,000-4,000 years, more. It's a fairly straightforward crop to grow. It's a dryland crop, perfectly suited to the Prairies. Canola certainly has its--. I would say to you that there's probably greater risk on canola. And why I say that is that if you look at the input requirements when it comes to the amount of—excuse me—fertilizer you put down, the amount of herbicides that you have to apply on that crop, which in turn you have to have different equipment, more passes on the field, bigger field consumption, et cetera, your input cost on, let's say, canola versus wheat are much higher. So arguably, the risk is greater if you don't get that crop off.

Now, the other aspect when we talk about changes in the Wheat Board and your question about acreage, so if you look over what's happened--. So acreage in wheat has declined slightly or maintained, but you see increases in other commodities. But the other impact is that the investment dollars that have gone into the ag sector by the life-science companies or the ag-chem companies, however you want to call them—like the Monsanto, the Bayer, BASF, Syngenta, Dow—if you look at the dollars, where have the dollars gone? The dollars have gone into the development of corn, certainly into the US, into soybeans, US and South America, in canola with the different varieties, and then genetically modified canola that allows it to be grown over a much greater area than ever before, and better yields, better oil.

The investment really has been lagging on the cereals side. It really has because for ag-chem companies, they would say, “Well, why would I invest in a cereal because I'm trying to develop these chemicals, and yet farmers have no control how they market it? So if I develop a proprietary seed, I really can't extract the value out of it.” So what we're seeing now is that--. And it's early days yet. We've only had the change in the Wheat Board, what, in three years? But we're already seeing we have a Cereals Canada established bringing all the participants—exporters, handlers, processors, farmers, life science companies. We're seeing greater investment dollars going into wheat and cereals. You have the centre out of Saskatchewan--.

[0:50:37]

NP: Swift Current?

RW: Well, Saskatoon primarily. Huge, huge--. Now, it's existed for a long time, but more investment dollars going into the cereal side. You have a crop development centre. You have more money going into cereal research. The Centre for--. Not sustainability. The Centre for--. Oh, it just escapes me, but Premier Wall a couple of years ago announced the major centre for not sustainability, for when you're trying to make sure you have enough grain for the world. Anyways.

NP: [Laughs]

RW: So my only point there is there is significant dollars of investment that we believe are now going to be directed into cereals, which again will bode well for farmers.

NP: Yes. And that was one of the things that I was going to ask about, and that was the--.

RW: Food security, that's the word I was looking for! [Laughing] The Centre for Food Security out of Saskatoon established by the Saskatchewan government.

NP: Yeah. That was another thing I was going to ask you about because the Wheat Board was more than just marketing. It was involved in a lot of the research the farmers would--.

RW: I'm not sure about that. I don't think they put a lot of research dollars in, but that's my understanding.

NP: I could be wrong on that. Certainly, I bow to your expertise and not mine.

RW: Yeah, I--.

NP: The international market--. What's the word I'm--? Surveillance isn't quite the term I wanted to use, but they had a group that would be monitoring, satellite monitoring, and that, which was done for the farmers across Canada.

RW: Right.

NP: Who has taken over that?

RW: And you're right, that was a fairly major—I say major—that required a significant amount of investment on their part to have global surveillance of crops.

NP: Market analysis.

RW: And market analysis, how the crops are developing. If you have really good intelligence on that, then you can leverage that in the sales you make, et cetera, et cetera. That was certainly a benefit, but--.

NP: Has anyone taken over that?

RW: Okay, that's where I'm sort of going to lean into that point is that when the changes to the single desk were made because I--. Like that was a significant change. Rare--.

NP: From the--.

RW: I'm sorry?

NP: Changes from the single desk?

RW: From the single desk to--.

NP: Okay, from.

RW: Doing away with the single desk. We were anticipating—certainly I anticipated—like when you have something that massive, you're going to have hiccups in the system. I guess if there's anything that I was surprised by is how relatively seamless that change was from a marketing perspective, from a surveillance perspective, from an intelligence perspective, gathering intelligence. So when you ask, "Is that being done?" absolutely. So from--. Let's look at a Cargill. Cargill's worldwide. Cargill has people pretty well in every geography where we as a world produce and market and import and export grain. They're active participants.

NP: And--.

RW: Richardson has a fairly extensive network. Now as Viterra, we expanded our global presence and have agents or people working for us in various geographies. Not as widespread as Cargill's, but now with a company like Glencore which operates worldwide, we can tap into those resources. So yeah, as a whole, we have that information, and we have a pretty good handle on what's happening worldwide.

NP: Is that shared between companies?

RW: No. Not in detail. Yeah, we share. You'll see conferences all the time, whether it's the Canada Grains Council or other conferences worldwide. You'll have experts, consultants, or company representatives give S&Ds, the supply and demand outlooks. So they'll outline what they see as current global stocks, what the production is, what significant changes are, what some of the political or country risks are, what's happening with Russia or the Ukraine, import restrictions. So that information is shared in, I would say, a high level, but there's a lot of detail behind that that isn't necessarily shared. But I would say we all have a pretty good handle on those markets.

[0:55:41]

NP: Yeah. Just the whole availability of market information changes as a result of the single desk research and market analysis function disappearing.

RW: It disappeared maybe for what the Wheat Board was doing, but again, a lot of the companies do that.

NP: Right. Right. So it's being done by four different companies rather than one at this point, however many companies.

RW: Yeah. There's a plethora of companies that do it, but we work collaboratively, like through Cereals Canada. Cereals Canada will have its interest--.

NP: Right, yeah.

RW: We have the Canola Council that does a phenomenal amount of market intelligence, certainly on what's happening in our export market. So that is commonly shared, but what I say isn't necessarily commonly shared, like, we all have proprietary--. When I say proprietary, we have our own contacts. We have people we deal with, and we're just not going to share our list with someone else is what I'm getting at.

NP: No, you're--.

RW: Competitive.

NP: A competitive market.

RW: Yeah.

NP: Yes. Speaking of the Wheat Board changes then, I just wanted to check something here. Market potentials. We talked earlier about the impact of railway rates and even line changes on ports, and you had mentioned the over capacity out through the east and the under capacity out through the west. Are there any impacts of the elimination of the Wheat Board—either positive or negative—to let's concentrate on the port of Thunder Bay? What do you see as--? I know you probably see it through the Viterra operation, which is substantial in Thunder Bay. Has it been positive, negative as to the future?

RW: But those changes in market dynamics and ultimately movement all were taking place with the Wheat Board.

NP: Oh, yes.

RW: So whether or not--. I would say the grain companies, with the removal of the Wheat Board, I don't think that's had necessarily an impact on Thunder Bay. It's all the other changes that we talked about that did have an impact on Thunder Bay.

NP: Is there a potential with Glencore being, I would think, having its fingers pretty tightly on markets that would be supplied out the St. Lawrence, is there potential of increased growth that wasn't there with the Wheat Board?

RW: Again, I don't want to necessarily lay it at the feet of the Wheat Board because, again, I go back to what the market dynamics are at any given time, and I think if you look at the last couple of years, we've seen an increase and growth through Thunder Bay and through the St. Lawrence. Look at Viterra. We operate now in the port of Montreal because we see that movement of grain through the system and through the eastern system. We've just announced we're going to take the TRT canola operation in eastern Canada in Quebec, so we're seeing greater potential, but I don't think it's ever going to be the halcyon days of the '70s for Thunder Bay. I just don't see that. Do I see an increase? Yes, but not to the same extent of what it was because what we continue to see is consumptive demand through the West Coast for Asian markets. So it's a good-news story, I think, for Thunder Bay that we are seeing an increase.

[1:00:01]

NP: What impact then—just following along that line—would crushing done on the Prairies have on canola flows out either direction?

RW: Yeah. Well--.

NP: Through elevators, terminal elevators.

RW: Yeah. Well, that--. Now, when you look at it from a year-to-year perspective, so we've had an overall increase in production. So what you're seeing is an overall increase in export movement through certainly the West Coast. The decline has been halted in Thunder Bay, and now we're seeing an increase. But you haven't seen the full impact of that increase in production on exports because so much more is now being consumed domestically. So that has an impact. Like a lot of the canola crushing, a lot of that processed or oil goes into the US. We've seen--. And certainly, a lot goes into Mexico. So rather than just having east-west flows for offshore, we've seen an increase--. And the Americans are great customers, as are the Mexicans. I think that is extremely positive to have alternate markets, not just relying on a few, but having, again, a diversity. So that's had an impact.

The Americans love our durum, so that's a very important market certainly to the Wheat Board when it was doing the marketing, and certainly to us as companies to market durum in the US. Oats, although it's a smaller crop, a huge amount of oats go into--. We don't export. I can't remember the last time we exported oats. I'm talking offshore, okay? But a lot of our oats, if not a majority of it, goes into the US, into Quaker Oats, etc. So that's a real positive.

NP: And that leads into what was going to be my next question. We've talked about the East and West Coast. What impacts have there been or do you foresee on movement—and now I'm talking really about rail movement and terminal facilities—heading south and Churchill?

RW: Okay, let me--. Okay. I'll touch on movements south, and I'm going to back up and talk about logistics. Again, at the risk of maybe stating the obvious, to say that the last couple—maybe not this year, but the previous two years—have been challenging from a logistics point of view would be a gross understatement. The issues that we've had with the railways and with trying to move product through the West Coast and then even the eastern system in the US—and the US still continues to be problematic for us—has been daunting.

The railways, their argument is that we as grain companies, and by inference farmers, are being unrealistic if they want to move all their product through October, November, December. It's not going to happen. Our response is that we're not idiots. We know we can't move the entire crop through three months, but conversely, it is not how the market--. The marketplace does not function on the basis of moving 12 equal amounts of the production through each and every month. It doesn't work that way. You have high demand periods throughout the world—October, November, December is one of them. It depends when production is coming off in

another country or when it isn't and when they need it. And same thing when we see an increase when--. It's fairly strong through January, February, March, but again, we have Thunder Bay closed, so that demand still maintains.

So our argument with the railways is that what we don't have, because of their severe cost cutting, what we don't have—what we argue—is surge capacity. Every single one of us operates—. A farmer doesn't have a combine hoping it's an average crop. He has to have additional equipment around to get that crop off in a very shortened window. We don't operate or build grain terminals assuming we're only going to handle a couple of thousand tonnes every month. We know there's going to be surges. The same thing with our port terminals. That's the function of our business, and it's a competitive business. So if we don't do it, someone else will, quite frankly. With the railways, they run—and again, they will disagree, but I'm sorry—they run two monopolies, and when you're a monopoly, if you can't go anywhere, “Well, that's all I'm going to offer. I might offer a little bit of surge, but I'm not going to offer what you really need.”

[1:05:04]

So that has to be ultimately resolved, and it has been problematic into the US because they lose control—. For example, we want to put cars in over Chicago. They're reluctant to do so because they lose control when it goes to another railway. So they have their own challenges, but at the end of the day, we're going to have to resolve this issue about what the capacity is provided by the railways to meet demand. Not all of the demand, but the need for surge capacity and what's a reasonable amount, and we're not there yet.

NP: I don't know whether I want to put it this way, but sitting there and looking out my apartment balcony window and those grand elevators and thinking way back to the 1910s where there was the threat of the decrease in east-west rail grain shipments and the real worry that there would be a direct south flow for Prairie grain product—so bypass either West or East Coasts and just head south—that's not happening?

RW: Well, no, and it won't happen because if you look at American production, it's huge. It's huge! But what some of those--. Well, what they can produce now, their big crops are soybeans and corn. They certainly grow wheat, and what do we specialize in? In something that they don't grow very well or effectively. As I say, the Americans love our durum. It's high protein, very, very good quality. It meets their needs, and certainly we export certain high quality wheats into the US for those arguably niche markets. But we're not going to--. And canola has taken off. Like when I talk about research and the dollars that were spent by the Canola Council to get their Heart Smart label. When you have dieticians coming out that, “If you have canola, it's going to help reduce obesity and lessen cholesterol and heart attacks, et cetera,” that wasn't the only aspect that increased demand, but it's just taken off.

Look at McDonald's. They use canola oil. That second plant in Quebec was built solely to supply a McDonald's by Cargill. That's massive! But you're not going to see all of it go. That isn't the market dynamic.

NP: So let's take a look at Churchill then because there was, with the demise of the Wheat Board, there was the subsidy or however you want to call it—and I may use it--.

RW: They reserved a certain amount of grain to move through Churchill.

NP: For, what, five years they were going to be--.

RW: Yeah, that's the current--. The federal government provided, with the changes to the Wheat Board, they said that they would provide a subsidy.

NP: Yeah. So how's that working out? What's happening there?

RW: Well, I guess they're moving. They're nominal. I shouldn't say nominal. What will they do this year, 500,000 tonnes? Which will be down from what they did before. Not as much. When the first changes were made, I think they were up around—I don't keep that close of tab on their stats—but I know that this year's going to be 500, last year about 530. They were higher before. What I struggle with--. For me, this is not a political debate. I sit back, and I look at the flows. When I look at this—and again, it's not to create an argument—when I look at this and the infrastructure and dollars required to maintain Churchill for a 20- to 22-week shipping period, my argument is that you close it down and move it all through Thunder Bay which could do it in a heartbeat. You affect the employment at Thunder Bay. You affect the efficiency, and when I say efficiency, it's expensive to maintain that facility up in Churchill.

If you needed--. Look, I understand that you may need a presence up there for northern security. I understand that. But that's not a grain issue. That's a national security issue. Then the resources should be deployed elsewhere through a different venue. And I'm not out to destroy Churchill. That isn't--. I know Churchill very well. I've been up there more than most Canadians. I've been up there more than two dozen times. I know it very well. When I was at CN, I had a real insight into what it cost to maintain that line. It's just not very efficient. It's very costly, but we don't necessarily see the cost directly. It's through what the federal government or the province have provided. It could be done through Thunder Bay, but it's kept for political reasons. And again, this is not my soapbox. I look, and I know how sensitive it is for the province of Manitoba. I worked for them, that's why I was up there so often. So I understand the sensitivities, but if I'm looking at it from a marketing piece--.

[1:10:20]

We've done--. It's not like we speak as a company--. I've got to be careful because this isn't a Viterro comment. You're asking my comments. But it's not like our company hasn't shipped grain through Churchill, and we people ask me, they say, "Yeah, you can do it." And we do it for economic reasons, but we don't do it anymore because of the risk. The risk is not worth it. And let me give you an example of what we did. So we were able to put together a sale of peas, and obviously, it was very, very attractive margin-wise. So we did so. We had problems with getting the railcars at the very tail end. There was problems with, I don't know, either the equipment or the track. We missed the boat—literally missed the boat—on the last train. So that train would have held about 9,000 tonnes.

So what happened was the vessel had to sail light, so we incurred a penalty on that. We had to pay for the rail freight for that last unit train of peas up into Churchill, but since the vessel sailed, we couldn't store it there, so we had to pay for the rail freight back. Farmer didn't pay. We paid for it both ways, and then for having it sail light, we said, "That's it. It is just not worth it." It's not like going through Thunder Bay. If I miss that boat, I'm going to have another one coming in behind it. And even if the season closes, I can put it into storage and wait for the season to open up and mitigate my risk.

So when we look at it, I'm not saying for everyone that they have the same risk factors. Richardson has done a sale of wheat, I believe, and all the power to them. But I'm saying when I look at it, to keep something open for 22 weeks, and given the risk we potentially incur, as I say, Thunder Bay can do it, and we wouldn't miss a heartbeat. I could shot for that, but--.

NP: You're not saying anything that most people who are looking at the economics of the situation--.

RW: But as I say, we're talking national security, national defense. There are huge social issues up there. You have the issue of northern sovereignty, but that shouldn't be on the backs of grain. It should be addressed through other mechanisms is what I'm saying.

NP: One of the things that changes as well at the same time as the Wheat Board change was the end of the Canada Ports Clearance Association [CPCA].

RW: Yeah.

NP: Their coordinating role on the West Coast, but I'm more familiar with it in Thunder Bay, obviously, of ships—so that ships at one time were able to go from one elevator to another to fill up and take off, what impact have you seen there? What additional work do the individual elevator companies have to do without having that sort of cooperative group?

RW: See, now, this is again--. That change gets at the issue of the other changes that we've made in the system. There was definitely a need, a clear need for the Ports Clearance Association because when we were moving wheat primarily and durum through the ports is that the Wheat Board ran a pooling system. So cars from Richardsons and Sask Wheat Pool, Alberta Pool, UGG were co-mingled into the various facilities. You needed a Ports Clearance Association to determine where those stocks were, knowing that the Wheat Board controlled the car allocation, who would get what, and you would get cars when you had space created. So there was a role for the Port Clearance to look at the stocks and say, "Okay, this is what each individual house has, and this is where we're going to place the vessels."

But now that we're managing all of the logistics, and again, that grain isn't co-mingled anymore. We're running 100-car units out of Swift. We're running 100-car units out of Brandon, out of Boissevain into Thunder Bay. We have those stocks in store. And the other thing that's different—which is huge and different—is that we're ordering the vessel freight. It's not the Wheat Board working with a third-party for a vessel freight. We're managing that, and so the need for a Ports Clearance Association just simply dissipated over time. Where we're managing the inflow, we know what's in store. We're managing the sales. In turn, we book the vessel freight knowing when the vessel arrives, and we match the two up. So it's a much more efficient system.

[1:15:16]

One of the things that hasn't been talked about too much is that I talked about the seamless transition from a Wheat Board monopoly to a competitive environment. We anticipated this, but we didn't anticipate how significant the change would be, is in how we're able to much better manage our stocks in Thunder Bay and Vancouver and Prince Rupert—huge change because a lot of times when we were moving Wheat Board grain—I don't want to sound critical—but we'd move grain for them, and it would sit in our terminal waiting for a vessel. We don't put that grain in unless we have a sale. It is all to sales. The Wheat Board would have argued, of course, theirs was all to sales, but believe me, I saw how many tonnes would sit in our facility at that time on the north shore, how long we would remain congested, and how others would. I don't want to blame them. This isn't an issue of blame. I'm saying is that when you try to marry a non-board with a Board program and neither hand really knows what the other is doing and moving it into a port, trying to coordinate vessels around, it led to logistical issues. That's why you had government intervention like port coordinators.

When I worked at the GTA, when I was executive director of operations, I had the port coordinators report to me in Vancouver and Thunder Bay. We had Tony Kaplanis and Dino Burella being responsible. “Okay, this is what’s in store. This is what’s coming from the railways. This is what has to--. We know what vessels are arriving, so this is how we’re going to direct the cars.” I remember one comment—and I dearly love Tony and Dino, and I worked quite closely with them and got to know Tony very well—but I’ll never, ever forget about a comment he made to me when we were running the port coordinators. He said, “You know, this grain trade is so messed up that they need us, and that if the port coordinators ever went away, it would be one total mess up in this port.” I said, “You know, Tony, that mess could be created, but I guarantee you, Tony, that if we went away, after a week or two or a month, we wouldn’t be missed.”

NP: And they did go away.

RW: And the GTA did go away, and they weren’t missed. I’m not saying that they weren’t required at the time they were, and the job that we did--. I have, again, a lot of pride when I was at the GTA and the work we did, but again, it’s all these--. You have central coordination from the Board, you have the grain companies doing their own thing on non-boards, trying to manage those logistics. So doing work arounds is one way of describing that. When you did away with that single desk, when you had the companies now responsible for the sales and the logistics, it streamlined the system, made it more efficient, and allowed us to manage that in a more efficient manner where peripheral organizations that were instituted to help with that no longer were required.

NP: So to just wrap up this discussion which focused mainly on the changes as a result of the single desk disappearing, overall highly positive?

RW: I think so. I think it’s highly positive for the farmer because at the end of the day—and I always find this discussion fascinating to say the least and disturbing personally—is that you needed the Wheat Board because you can’t trust the grain companies, and that the grain companies are unscrupulous, so you need them for protection. At the end of the day, they’re our customers. We can’t survive without them. If this change to the Wheat Board and the marketing system wasn’t positive for them at the end of the day, you’d have a hew and cry to have changes made, and you don’t see that. Where I’m going with this, at the end of the day, none of this really means anything unless it--and I’m not just saying this—it has to be positive for the farmer at the end of the day, and I really believe it has been.

NP: Now, we sort of left your career behind. [Laughs]

RW: That’s okay.

NP: We finished with the GTA. So when you moved to Viterra--.

RW: Sask Wheat Pool.

NP: Or at that time Saskatchewan Wheat Pool, how did that happen and what positions did you have there?

[1:20:03]

RW: Okay. Well, what happened was that, as I said, I left the province of Manitoba to work for a regulatory body, the Grain Transportation Agency, and was involved in car allocation—Board, non-board, and then allocating cars directly to companies for non-boards. So as I said, that convinced me I really wanted to work for a company, and because of our day-to-day interaction with the companies, I got to know them quite well. I always sit back and wonder about coincidences in life. Is it just serendipitous? I don't know. But one of the individuals--. I did a lot of work at that time at the GTA, and the number of arguments we would have about who was getting cars, let me put it this way, I can't tell you how many times I was threatened to be sued. I'm serious! But I believe there was a common respect. I think it's always difficult as a third-party to really understand what was going on.

Where I'm going with this, so I developed a lot of relationships. It was really interesting because one of the companies I fought with almost on a daily basis was Northern Sales and with Bruce Johnson. Bruce was hired by Sask Wheat Pool with Ian White to head up AgPro. Sask Pool wanted to try something different, and Bruce approached me, to my surprise. He said, "You understand this logistics system pretty well. Would you like to come onboard?" I said, "Yeah, but I really don't have the marketing background." "I can teach you that." And away we went.

So I joined AgPro, and then after two years, Bruce was promoted and hired by Sask Wheat Pool directly to head up their grain group, and then he brought me along as vice president of marketing. So that's how I became embedded, if I can call it that, within Sask Wheat Pool transitioning from CN to AgPro and then from AgPro ultimately into Saskatchewan Wheat Pool.

NP: And what were your positions sort of rapid fire in--?

RW: In AgPro I was vice president for marketing and business development. When I joined Sask Wheat Pool I was vice president for marketing, and that included at that time grain marketing as well as agro-products. So think of chemicals and seed and those things. Then with the changes we went through when Mayo came on, I became vice president of logistics, and then ultimately

ended up, for the latter part of my career, head of commercial and government relations. So looking at a lot of the regulatory aspects being our interaction with the trade and representing our company. So very background with it.

NP: What was your first introduction to elevators in Thunder Bay?

RW: Well, right when--. Oh, jeez. I even remember taking a DC-3 with a whole bunch of people in the grain trade. It was really with the province. So one of the nice things on a personal note is that with the Hall Commission, I got to travel all around the Prairies. When people say, "Oh, yeah right, city kid. Do you know where Waskada is?" "Yeah. Not only do I know where it is, I've been there!" Why I'm raising that, with those commissions, I'm not going to pretend that I visited every small town, but boy, oh boy, I was able to, through those exercises, really visit and talk to farmers and a lot of the smaller communities, understand that network fairly well. So that was my introduction to that.

Then as we got more involved--. I'm trying to recall when I drove to Thunder Bay. Thunder Bay, I think, would have been more with the GTA days than the province, but the province was the base for the rural network, and then when I joined the GTA, given that I ultimately had two port coordinators, I spent a lot of time in Thunder Bay. That would have been early '90s, and Vancouver.

NP: And what are your remembrances about Thunder Bay elevators, waterfront, relationships? You've already mentioned the GTA ones, but the actual--. If you think of Sask Wheat Pool. You would have been--. Were you there, or had they already decommissioned the elevators on the Kam River?

RW: Yeah. When I joined Sask Wheat Pool, a lot of it had already taken place. Later on, we closed, was it either 7A or B? I'm trying to remember, but there was one more closure afterwards that led to the legal battle with Mission Terminals and what we sold. So I was already at Sask Wheat Pool/Viterra when that happened. But a lot of that work beforehand on decommissioning, some of that had already taken place.

[1:25:05]

NP: What was the situation with Mission Terminal, and you--?

RW: Oh, I don't--.

NP: Was that Pool 15?

RW: Yeah, I think so. I don't think this is a secret. So when we sold that terminal, there were all sorts of caveats filed that it couldn't be used as a grain-handling facility to compete against us. We just wouldn't do that. So the terminal was purchased, and then it was sold, and then the people who bought it who created Mission Terminals created a competitor. So there was a huge legal battle over that because we felt the caveats weren't observed, and that they were not within their legal right.

NP: And what was the deciding factor that found--. Since Mission Terminals did and does exist, what was the--.

RW: I guess our lawyer didn't do a very good job at filing the caveats.

NP: Ah. Because that was fairly common, those caveats. There's all kinds of elevators in Thunder Bay that are--.

RW: Absolutely. All of them. Yeah.

NP: As a citizen of Thunder Bay, my concern is it's sort of like it's moral responsibility more than legal responsibility. Was that ever an issue, or was it just an economic decision?

RW: Well, when you say moral responsibility is that at the end of the day, I don't think anybody can be expected to operate facilities at a loss.

NP: No.

RW: Really. And I know that sounds cold and very hard, but I look at it the other way is that the elevators that you do retain or the ones that you need and invest dollars into--. And we've got two highly efficient terminals in that port. I see demand increasing through there, but again, it's not going to be what we had back in the '70s though.

NP: I think I was more thinking about--. I had this discussion, I think, it was with Greg Arason because they had similar situations with the Manitoba Pool elevators there. My comment was not so much operating--. Well, it definitely was not operating unprofitable organizations, but it was more like leaving an abandoned site for the citizens of Thunder Bay to clean up.

RW: Yeah, and absolutely. I go back to the moral question though. It's not that we were cold and heartless. I remember those discussions we had internally is the responsibility we have to various communities. I was never really part of those discussions on what was retained--.

NP: Right, because your time was mostly after.

RW: But I understand what you're saying, but it wasn't just cold and heartless. We understood what was going on and the impact, but it really depended on--. Again, where I did get involved is where I have--. What is analogous is with elevator closures.

NP: Right.

RW: We went down a path of trying to sell those elevators to farmers who wanted to use them for storage and, of course, all the associated caveats, et cetera. We did that, but we had a change in policy. Now, I'm going back a number of years because by and large we don't have this issue now is that we made a change in policy. We said, "No, if we're going to be closing an elevator, we're going to tear it down." There's all sorts of liability issues about retaining some of those old facilities.

The argument is one of the communities I was directly involved in wanted to purchase, and it got a little bit testy. They said, "Look, you'll put all sorts of caveats on this." I said, "You know, unfortunately, we know from bitter experience even though we have sold an elevator and transferred liability, when that individual who bought it goes bankrupt and then something happens, a person is injured or heaven forbid someone loses a life, that individual isn't around, they will come after us because we were the ones who had originally owned it and sold it." It's pretty hard to absolve yourself, as weird as that may sound, pretty hard to absolve yourself of 100 percent liability. We thought it was simpler and safer, certainly from our perspective, to simply tear down those facilities.

NP: Which didn't happen in Thunder Bay because that's exactly what happened. Somebody bought it, left it derelict, and people have died and injured themselves, so.

RW: It's a tough one. As I say, I look at Thunder Bay, it's always had when I say a soft spot in my heart given the amount of grain we used to move through there, and it is a vital and important part of our business. It really is.

[1:30:03]

NP: Physical experiences with the elevators in Thunder Bay, was that your first experience with terminal elevators? Or when you were crossing the Prairies, there are terminal elevators. There were, even when you started.

RW: Well, certainly. Oh, yeah. I can't tell you how many elevators I've been through, and big terminals at that time before AgPro being through Moosejaw and Saskatoon. I know being up through the--. When Prince Rupert was being built, I was up there going through that when it was being built. So I've been through a number of facilities. I've been through--. Well, certainly I've been

through our north shore facility a number of times, and then when we sold that and acquired Cascadia and Pacific on the south shore. I've been through those facilities a number of times, and certainly our facilities in Thunder Bay.

NP: So what do you think about terminal elevators?

RW: In what context?

NP: Just in general.

RW: Well, they're pretty impressive, and they are industrial sites. When you look at the management and the flow of grain into it, making sure it's handled correctly, and I would say safely because you have to concern yourself with infestation, quality control. When you're loading a vessel and you have to blend, all the intricacies of that. I don't know if a lot of--. A lot of people think, "Oh, you just put grain in and move it." It isn't that simple as that when you look at--. They're pretty impressive facilities in how large they are, especially when you have a--. Well, not in Thunder Bay because, of course, Thunder Bay can take as their max 35,000-tonne vessels, maybe a little bit more—or 25,000 tonnes, I should say. Whereas in Vancouver, you can load 80-90,000-tonners.

NP: Wow.

RW: So when you watch when those boats are being loaded, they are impressive facilities. So that's what I look at. They're pretty impressive operations.

NP: So you were in Saskatchewan Wheat Pool. We talked about changes. That started with little changes now, such as rail line closures and rationalization, and then within the last—well, since I've been involved in trying to do something on the history of this industry—which was the early 2000s, major, major, major changes in the whole cooperative movement.

RW: I'll touch on that.

[Audio pauses]

NP: There we go.

RW: Now, you're right. The other significant and very dramatic change was the whole cooperative movement. When I first joined the industry—and you already alluded to this earlier—we had very, very strong cooperatives in Alberta Pool, Manitoba Pool

Elevators, and—[coughs] excuse me—Saskatchewan Wheat Pool, and of course United Grain Growers. So the cooperatives had well over half of the-- I'm good, thank you. Well over half of the grain handle. If I remember correctly, I think Sask Wheat Pool in Saskatchewan was 60 percent alone. I think the other Pools would have been somewhat in that range. UGG a smaller percentage by individual province, but of course, they were across all three provinces.

And they have to look at-- I'm sure others have talked about it. Well, Paul Earl is a great historian and certainly is much more conversant than I am, but when you go back into the 1900s and concerns by producers of being taken advantage of by grain companies and brokers and wanting to control, certainly, their marketing and how the grain was handled, there was very, very good reasons for the creation of that cooperative movement. Then what you had, again, arguably, is that one could make the argument that Sask Pool precipitated a lot of this change in the sense that we had looked-- I don't think this is any secret. The three Pools—because I was around when this was happening—they did have talks about merging.

NP: Just to let you know where I have been with this and with other people, I did take a trip across the Prairies, and I met with several of the elected farming people for Alberta and the CEOs that were still around. So yes, we have an interesting--.

[1:35:18]

RW: View. [Laughs]

NP: Interesting viewpoints, but with an awful lot of commonality and thoughts about what happened. So anything you're saying probably is--.

RW: Yeah. And when I say we probably precipitated, so the context that I'm providing is that we did try, and I know we had discussions, of merging the three Pools. I really think that was the right thing to do. That's a personal observation. It fell apart for all the wrong reasons, and it fell apart because it got involved with arguments, discussions, and disagreements over things that really, at the end of the day, are totally immaterial. What's the name of the company, where's the company headquartered, and who's going to be the new CEO? That isn't unique to the Pools. When you look at international mergers and why they fail, sometimes they fail because of those reasons that are really immaterial at the end of the day.

When that failed, Sask Wheat Pool under Don Loewen sort of taking a different direction, we need to expand beyond our borders and grow. One of the difficulties as a cooperative is the ability to raise capital, and that's why we went that first go around of offering shares to raise capital and then went with Project Horizon and built those elevators. Then what happened, as I said, we went into a near--. We were very, very close to bankruptcy. Mayo came on and tried to change things, came very close, and then

we refinanced. But at the end of the day, the only way we were going to be able to refinance—because those shares in the company were B-class shares, non-voting—and ultimately, we had to convert them to A-class voting shares, and that’s when the farmers, I’ll say, lost control, that’s when it no longer became a true cooperative.

For a lot, that was losing control, but as I say, we had to do that to be able to continue as a company. I think the proof is in the--. The success that Sask Wheat Pool and then ultimately Viterra became, so I believe that was the right thing. Then what happened, as you know, is that Viterra then went on--. Then what we had done, restructured and then were expanding, and then UGG, approached and then had the merger with AWP and Man Pool to create Agricore United. Then ultimately what happened was that we as Sask Wheat Pool then acquired Agricore United and became Viterra.

NP: And how did that play out, the acquisition of Agricore United? It seemed to me there was a Richardson player in the mix too, and that was--.

RW: Yeah, yeah. You’re right. Richardson made a play for Agricore United, but at the end of the day, we were the successful bidder able to acquire it. Part of the--. Again, I give credit where credit is due is that Richardson is an extremely astute company. And Curt Vossen, I’ve known Curt a long time, and as I say, give credit where credit is due because Curt has been able to transform that company into a real dynamic international player because when we created Viterra, because of the concern about market dominance, we had to shed or sell a number of facilities because our market share issue was too large. Richardson was in a position to acquire them, which it did so. I would have liked to have retained them, but that wasn’t possible, and Richardson bought them, but it’s created a stronger company, Richardson International. So that’s how that one played out, but you created--.

It’s never good for any industry to have a weak player because it affects everyone. And I say we were on the verge of bankruptcy, but it was dragging the entire industry down, I believe. As I said, markets weren’t buoyant. There was a whole bunch of things going on. But as I say, we financed, became profitable and very, very healthy, and expanded, and others did too. It was a general feeling of, “We’ve turned a corner in a much healthier industry.” When I gave that earlier example of when I was telling Paul’s students not to go into agriculture, my subsequent comments to students and to others I interacted with, like young people looking at their careers, “Ag is absolutely the place to be. You want to be in agriculture.”

[1:40:19]

So it played out. When I say, “How did it play out?” I hope I answered your question. As I say, Richardson bid, we were the successful ones. We had to shed some assets, but what we ultimately created then is a publicly traded company which, for a lot of people unfortunately, meant the demise of the cooperative. But I don’t know if cooperatives--. You know, it’s tough for

cooperatives. Whether you look at the US—I didn't mean to interrupt—is that it's tough for cooperatives given the way they're set up is to raise a lot of capital. A lot of times, to raise capital the only way you can do it is through share offerings, and when you go down that path, it's much what Sask Wheat Pool did. You lose that aspect of it being farmer-held.

NP: Two questions that come to mind from what you've said. Losing or the demise of the cooperative movement, farmers' cooperative movement, what have the farmers lost? We can talk about what they've gained, but let's start with what have they lost by no longer controlling?

RW: Well, what they've lost, if you want to try to put it in that context, is direct control over the management of a company and therefore the direction that company will take. And again, I'm not telling tales out of school, is that—arguably I've been around too long—but I remember the comments about Sask Wheat Pool, "Sask Wheat Pool runs the government. Sask Wheat Pool sets policy for the province of Saskatchewan." Now, is that a good or a bad thing? I view it a little differently. I come from a business background. We are a business entity. We are a commercial entity, and if we don't provide the services that producers want, we're ultimately gone. I don't know if to be that politically involved--. And it was a different time.

So they don't sit as directors, meaning directors, they sit on a board. That's exactly what they do. They set the overall policy and direction of that company. Some of that's good, some of it maybe not so good. When you say a loss, it's certainly a loss in that sense, but I view it as more of a significant change.

NP: And what have they gained by no longer having that responsibility?

RW: Well, I think they've really gained—I would argue—that they've gained--. Because you have a very vibrant industry. We're extremely competitive, and that's what you want is competition. I think it has driven costs out of the system, and therefore we're more aggressive when we purchase grain. So I think that's very healthy for a farmer to have those options to handle and market his grain. I really want to focus in on that competitive aspect, because when I talk about the railways, when you're captive, it ain't a fun place to be. But when you have choice, it keeps us all sharp, quite frankly, in going after producers.

There's some producers we'll never get because they are truly dedicated to one, but the vast majority of farmers, I'm not saying that they don't have loyalty, but they look at it as a business. When we talk about changes in agriculture, when I first joined the business, you were a big farmer if you had a section back in the '70s. That doesn't even show up on the radar screen in some of the focus groups that I've been involved in. These guys aren't unique. "Yeah, I farm nine sections. I farm 14 sections." We've gone--. I don't know if it's quite the 80-20 rule, but almost where you have 20 percent of the product base producing 80 percent plus, much larger industrial farms—not industrial—much larger commercial operations.

And where I'm going with that, that's what they concentrate on. "I've got a business to run, and it's a large business. To try and run a grain company, maybe that's best left to others." I'm not saying that's how everyone thinks, but I'm sort of giving in my perspective.

NP: The other question is one thing you can say about having a Pool operation—and even Viterra before it was purchased—you had a very Canada-centric grain industry, whereas that is not the situation now. Does the loss of Canadian ownership have implications, positive, negative, both?

[1:45:12]

RW: That's a tough one. Maybe at a very high level. When you say about positive or negative implications, if someone did really something stupid--. Where I'm going with this, if someone did something really stupid, believe me, the federal government would step in. Now maybe things have to get really bad, and maybe that's not a good answer, but I know what you're--.

NP: What would be like an example of something really stupid?

RW: Well, I don't know. Trying to exert control over pricing, acquiring of grain and withholding it and only selling to certain entities where you're affecting international policy as an extreme. That doesn't happen. That would be a serious issue. But it's a tough one because I understand on a personal level. When we were at Viterra, I made the example that arguably we were the most efficient company. I tell you, there was a lot of pride in that, and we were a strong Canadian company. We were the largest Canadian grain company. We were the largest grain company in Canada, and there was a lot of pride in that.

Do I have some--. Does it tug at me at times? Yeah. I admit that, that would I have preferred it to remain Canadian? But that's more of a sentiment that, yeah. But at the end of the day when we created an international company that was Canadian based and sold it to a Swiss company, but that Swiss company brings a lot of strength to it as far as international marketing. Honestly, now that I've been with it, I can honestly tell you, look you in the eyeball, from day-to-day operations, Kyle Jeworski has given a significant amount when I say freedom--. Glencore's attitude, which is kind of interesting, was that, "You know what? You guys are the experts. We're not going to parachute people in," which is normally what happens, which is what we did in Australia when we put our own people in. But they said, "No, you're the experts, and you run it." So we've had a lot of autonomy, or Kyle has as CEO, as running it as our Canadian or North American operation. Now, the flipside is if you're not doing well, I think you'll see greater involvement, but it's been a good run of three years.

NP: Greater involvement by the--?

RW: Corporate headquarters.

NP: Corporate headquarters. Yeah. I guess what I wonder is you mentioned earlier now is feeding the world is a good business to be in, and for the most part, everything that is produced is purchased, regardless of where in the world it's produced.

RW: Yeah. Pretty well.

NP: Doesn't more of the issue become, with an international company, if grain can be purchased cheaper out of Argentina versus the western Prairies, whereas there might have been a commitment on the part of a Canadian-owned organization to get that sold rather than to move where the economic opportunities are better from a corporate perspective?

RW: We've been challenged a lot on that, and I don't have concerns about that. Actually, I would slip it around and say it gives us great strength. And what I'm getting at, what you're referring to is what we in the trade call "option origin selling." So what I mean by that is where it gives us great strength, if I have a sale--. If you're a Canadian company, and you're only based in western Canada, and you make a sale, and let's say something happens is that you can't source that grain for whatever reason. You're on a contract. Now, if you were able to write your contracts and say option origin is that, "I'll supply you from Canada, but in the event of a disaster or something, I'm able to supply you out of our other operations in Australia of equal or better quality." That gives you a significant amount of marketing power, and I think that's a positive thing.

I have never seen--. I've heard that. That question has been posed a number of times, and I understand where it comes from, but honestly, I haven't seen any of that. We go out and market. Like I've never seen an instance and say, "Well--." Because we have to be competitive. It isn't the decision, "Well, we're not going to market Canadian grain. We're going to market Australia." No. What happens is if we're both competing into China, you have to be competitive price wise, which takes into account not only price but the quality of what you're supplying. So it's a very competitive, dynamic marketplace. So I don't see that of preferencing one country over another. It doesn't quite work that way. It's more of how competitive you are from a price aspect.

[1:50:07]

NP: We're getting to the point where I'd like to ask—because we're coming near the end of our time together—some more personal questions.

RW: Sure.

NP: But is there anything that I haven't dealt with on those big changes that you think--?

RW: No. I think those are the pretty big ones with the logistics, the marketing, and the cooperative movement. Those were such dynamic, significant changes within our system for those who participated, and certainly for farmers in the system.

NP: Yes. And the one thing that you mentioned earlier on that I wanted to come back to, I attended the Fields on Wheels.

RW: Yeah.

NP: Conference earlier this year. Or was it last fall? Anyway, where Paul [Earl] was doing a presentation. I think you were saying that that's still a big issue is the getting the crop to the export positions.

RW: From a logistics point of view.

NP: From a logistics point of view.

RW: When I said big issue, it's not that we don't do it. We do, but we don't necessarily do it in a timeframe that we want and may miss out on high-price sales. There are still inefficiencies within the system.

NP: Yeah. No, we saw that in Thunder Bay with ships waiting for sometimes weeks.

RW: Yeah.

NP: So something wasn't going well.

RW: Yeah. So we still have some hurdles to get over, but having said that, we still are moving more grain than we ever had.

NP: Yes.

RW: We're going to hit an all-time record.

NP: And you want to do more.

RW: I'm sure we hit an all-time record in 2014-15. I know we did on movement to export.

NP: Okay. Canadian--. Oh, do I even raise this one? Canadian--. No, I want to go to your personal situations. So when you look back at all of the things we talked about, what would you consider to be your major challenge that you had in your career?

RW: Major challenge? Well, I hope this answers your question is that I said I wanted to make the move from government to industry, and I was fortunate to do that and got exposed to the marketing end, which I really wanted. I think I did quite well at AgPro and then was promoted to the marketing position with Sask Wheat Pool. That was without a doubt my biggest challenge. I used to joke about, "My learning curve is so steep, I'm afraid of falling off." At the end of the day, it comes down to--. And hopefully you have your superiors and people you're working for who understand where to best place you. I have no--.

At the time, was it easy? No, it wasn't. When you say challenges, so learning that marketing piece, but at the end of the day, I understand marketing a whole lot better because I was given that opportunity to head up the marketing unit, but I'm not sure if--. At the end of the day, was I best placed in that position? Probably not because the people that came in, like Will Hill and Fran Meleka and Bob Miller, into Viterra is that from their marketing background, I could not hold a candle to these guys. They were so--. That's certainly one of my highlights is the people I've worked with and learned from.

But having said that, I look at it when I say "fortunate," sometimes it's a matter of good timing, good luck, and good work, is that I wasn't cast aside. But saying. "Your role, given your background, is certainly well suited with logistics," which it was and did very well with Tim Kennedy, but ultimately with Fran Meleka and Will Hill is that, "Your real, real strong strength is on the government and commercial relations aspect, understanding the regulatory involvement and barriers, working with our government people, and certainly on the commercial side with other entities." As Fran used to joke, he said, "I can't do that. I hate that." He said, "It would drive me crazy, but you're good at it." So that's finding your niche.

So the challenge was, I guess, in trying to tackle that marketing and then realizing the transition that was necessary, and then ending up in a place where ultimately my strengths were really utilized for the best. So if that answers that question.

NP: Yeah. What are you most proud of?

[1:55:00]

RW: I would say most proud of as a team what we were able to accomplish at Viterra. And I've mentioned that probably three times already. Because I was in Regina when Mayo was negotiating with the bankers and how close--. And we thought they were going to--. In fact, he came into the room—because we all had to be prepared in case we went into bankruptcy in dealing with our farmer customers and creditors, et cetera—and Mayo came in. He said, “Look, I've got a deal, but all that will happen is that it will forestall bankruptcy by about a year. So there's no use messing about with this. I'm going back and saying it's not palatable if we can't get better terms.” It was about the interest rates in the terms. “If we can't get better terms, then we might as well close shop.”

It wasn't brinkmanship. It was so, so tough. And then Mayo was able to—with others who were working on the finance team—able to negotiate it. And where I'm going with this, once we refinanced, the company we created is our most proud--. And it isn't just me, but it's the people I worked with and who have become not only work associates, but someone like a Bob Miller who was our VP for marketing and operations who had become personal friends. What we were able to create as a company is a great source of pride. It was a great company. It is still a great company, and an extreme amount of pride in that company and the people I worked with, and the relationships I built, and, certainly, the farmers I got to know because I'd like to touch on that.

NP: Okay.

RW: On a personal perspective, when I said I had a rather tough introduction and just getting to know farmers and what they're like. When I say salt of the earth, I know that sounds a bit cliché, but--. Funny we're having this interview because my wife, without any prompting from me—other than saying I was going on this interview about the history—and brought my wife her recollection and how she still remembers this. Of course, it was, to me, for both of us, quite touching, is that after the Canada Grains Council study, I worked with the province. So what I did on behalf of the province, they sort of let me out working with all the various different producer branch line retention associations.

So I would go into a farming community, work with the farmers, and put everything together for them for their submissions. It was a lot of travel. I was away from home a lot. I was travelling around by car. I got home, I had been gone a week, and my wife was quite thrilled. She said, “You won't believe these.” I don't know if it was a dozen or 18 roses, and they were just absolutely stunning. It was from the guys in Hamiota and Waskada, and I even remember the farmer's name that headed it up was Hilt Wallace. He said, “You know, Richard, I know you've been away from home a lot and your wife, and it's a young family. Just wanted to send this to your wife as a token of our appreciation.” I really, really remembered that. I said, “What great people to work with,” meaning the farmers that I worked with.

I'm not going to pretend I get along with all of them. There's a lot that would throw me out of the window for some of the comments I've made, but by and large, such a great group of people to work with, and I've always enjoyed that. As I said, don't always agree, a lot of the times it was. But just working with them is a great experience. It really is.

NP: Great.

RW: Working with real businessmen. When I say real businessmen, as I said, people don't appreciate the risk they take year to year.

NP: What is the sense of the role that you and your companies—because in this instance there's been more than one—play in the success of Canada as an international grain trader? And normally I preface this by saying Canada has a lot of things going against it for being a competitive player on the international market—distances, climate. So--.

RW: You know what? I think we have a role—and I'm using the larger “we” in the Canadian context—I really believe I have a lot to be proud of. I hear about the competitive aspect, and that's right. There's some things--. For example, we're not going to compete with the Americans on corn. That's an impossibility. I don't care what our yields are. We're never going to match those yields out of the corn belt states. Or soybeans. Yeah, we can produce them and maybe in niche markets do well, but you're not going to be up against those guys.

[1:59:57]

But on the other hand is that we play—not that we should because we do—we play to our strengths. One of our strengths on our high-quality wheats, on our [No.] 1 CWRS, on our high-protein wheats, which we've done—credit to the Wheat Board for how they marketed it and what we continue as a country to market. There is demand for that high quality. When I look at, again, I go back to canola. When I look at the pulses, and I think we have a lot to be proud of as leaders for a lot of that. There's no way, not under current circumstances--. I can say it about our competitors like the Black Sea. Well, they ain't going to compete--. Yeah, they compete with us on low and mid-quality, which we have a difficult time, but they're not going to come close to us on quality because they just can't grow that type of wheat.

We're the leaders worldwide in canola. We're the number one canola exporter. We're the number one pea exporter. We're the number one, well, exports into the US on oats and things like that. So I think we have a lot to be proud of as leaders, and I think that we're a major exporter worldwide. I don't think we have to worry about taking a backseat to anyone other than the big Americans, but that's sheer volume on certain things. But no, we hold our own.

NP: And your contribution to it personally?

RW: Personally? Well--.

NP: I know I'm asking you to--.

RW: Well, you know why that's a tough one? Because when I say personally is that I think with my love and my passion for the industry is trying to further--. Make this a more when I say efficient--. Certainly, in the companies I've worked for, make it more efficient to provide something that is--. Let me state it differently. I think when you say "personal accomplishment" is trying truly to provide value to our farmer customers. But where I hesitate in answering that about any individual is that, again, when you say, "What are you most proud of?" but also what I'm extremely proud of is the team that we had and currently have, but certainly the team that we had in Viterra in the transformation because it wasn't one effort. You have to have direction and everyone rally behind it. So I think personally I've been able to contribute to that team and contribute and be a part of that overall success.

NP: Last question, and this is sort of a self-serving one. We're still plotting towards trying to have some sort of centre to recognize Canada's growth as an international grain trader because I don't think it's been well publicized in Canada just what we have accomplished and can be so proud of.

RW: Well, I agree with you there. I don't think Canadians realize what we actually--.

NP: Thunder Bay, they think grain comes into the elevators from other countries. [Laughs]

RW: I know.

NP: Anyway.

RW: No, I agree with you.

NP: We have, by the way, just gotten National Historic Event designation for the development of the grain industry handling facilities at Thunder Bay. So that's one thing that we've managed to accomplish. We're still waiting to see if we get National Historic Site designation for an elevator. From there, we're hoping to do at least programming and website presence to promote

Canada's pride in what has been accomplished. So if that programming and even a centre—which is more costly—comes about, what do you think is most important to feature?

RW: Boy, oh, boy. That's a tough one.

NP: That is a big one.

RW: Off the top of my head is I don't think Canadians or the general populous understands is the markets that we serve. When you stop and think, do people realize that, number one, I think import commodity value wise on the agricultural perspective into Japan is our canola, of how much we ship into China, into places like Indonesia on our high quality wheats and such, into the US. Everyone talks about, "Oh, you can't compete with the US," and how much we do into the US on canola meal, canola oil, durum, for example. So I don't know how much of that is really understood in what we play. And in some aspects, we're the world leaders.

NP: Yeah.

RW: On arguably smaller commodities, but world leaders nonetheless. So that's off the top of my head.

NP: Okay good. Last question. Can I put you continuing on our list as an interested party on following us as we move forward?

[2:05:03]

RW: Sure, sure.

NP: Or backwards or wherever we move.

RW: You have my email address, that's always the best way.

NP: I do. I do. With ten minutes to spare, unless there's something that you want to add--.

RW: Well, it certainly went very, very quickly.

NP: It did.

RW: I know we could have spent more time, and I guess my last comment—when I say last comment—is that if you have something you want to follow up with with me, please feel free to do so.

NP: I will do so, and thank you so much. It's been great to meet you in person.

RW: I hope it was what you were looking for.

NP: Oh, exactly.

RW: You know, I know full well my comments might not necessarily fit in with your beliefs or feelings, but I think that is what is great in our industry is diversity. I don't pretend to be right, but I do have a certain vantage point and perspective.

NP: Yes. And I think, from my perspective, I've just appreciated being able to see all of those different vantage points.

RW: You're very, very fortunate because I think it would be absolutely fascinating with all those individuals.

NP: Yeah. Would you like to have me send you the 400 hours of interviews? [Laughing]

RW: No. You know, I--.

NP: Well, thanks very much.

End of interview.