

# CWB Comparison Chart

## Single Desk CWB:

## Saudi-Bunge CWB:

<p>👍 The <b>single desk CWB was not a grain company</b> -- it was a <b>single desk selling agency</b>.</p>	<p>👎 The <b>privatized CWB will be one of a few big companies</b> selling grain grown in Canada.</p>
<p>👍 All foreign customers had to deal with the single desk CWB to <b>purchase Canadian wheat and barley</b>.</p>	<p>👎 <b>International customers for Canadian wheat can bid down the price</b> by shopping around and the <b>privatized CWB will be able to supply Saudi Arabia directly</b>, completely bypassing the commercial market.</p>
<p>👍 The <b>single desk CWB made money for farmers who then spent it in their communities and invested in their farms</b>.</p>	<p>👎 The <b>privatized Saudi-Bunge CWB will enrich itself and provide the Saudi kingdom cheap wheat to prevent another "Arab Spring" from threatening its absolute power</b>.</p>
<p>👍 The <b>single desk CWB ensured high quality wheat</b> got to Canadian millers on time and at a fair price regardless of size.</p>	<p>👎 <b>Canadian millers may resort to importing wheat</b> from Eastern Europe due to poor service from private grain companies.</p>
<p>👍 The <b>single desk CWB ensured</b> efficient movement of grain to port by <b>managing timing of shipments</b> through <b>orderly marketing</b> – often getting a <b>bonus for early loading</b> -- and wielding the clout to discipline railways with ability to sue for non-performance.</p>	<p>👎 The <b>Saudi-Bunge CWB will add to complexity, costs and confusion in grain transportation</b> – unless it only ships cheap grain directly to the Persian Gulf via Bunge's Quebec City facility.</p>
<p>👍 <b>Because the single desk CWB was the only seller</b>, it was able to sell Canadian wheat for the highest price <b>the customer was willing to pay</b> and could set up long-term high-value contracts <b>for the benefit of farmers and customers</b>.</p>	<p>👎 The privatized CWB will compete with other grain companies, with the day's <b>lowest price setting a benchmark</b> customers will not want to exceed.</p>
<p>👍 The <b>single desk CWB commanded high prices</b> because it managed sales for the whole western Canadian crop, collecting wheat from all across the prairies and blending it according to individual customer specifications.</p>	<p>👎 As a private grain company, it <b>buys low (from farmers) and sells high (to customers)</b>. Its margin is the difference between what it pays for grain and what it can get for it.</p>
<p>👍 The <b>single desk CWB's goal was to obtain high prices</b> in export markets and return all of the proceeds of sales to farmers (less operating costs) every year according to the quantity and quality of the grain each farmer delivered. <b>It did not try to accumulate a surplus</b> (and was not allowed to by law).</p>	<p>👎 <b>Maximum revenues do not depend on the price of grain</b>, but on the margin times the volume.</p> <p>👎 It is easier to <b>increase margins by cutting costs</b> than by increasing quality; <b>price paid to farmers is a cost</b>.</p>
<p>👍 <b>Farmers received an initial payment and a final payment each year</b>. The initial payment was based on an estimate of the crop's value; the final payment transferred the remaining balance to farmers at year-end, according to full amount paid by buyers.</p>	<p>👎 <b>Farmers receive only one payment</b> when they deliver grain. Once it is unloaded at the elevator the <b>farmer has no further claim on the grain</b> regardless of the price the grain company sells it for.</p>
<p>👍 The <b>single desk CWB published its direct costs and sales results</b>.</p>	<p>👎 As a private grain company, the Saudi-Bunge CWB will <b>keep sales results secret and hide its costs in "basis" charges</b>.</p>
<p>👍 <b>Farmers democratically controlled the single desk CWB</b> – elected farmers held the majority of seats on the Board of Directors – and they ran it for the benefit of all farmers, which in turn benefited the whole Canadian economy. The federal government ended the CWB's single desk <b>authority in 2011, fired its farmer-elected directors and ordered that its assets be sold or liquidated by 2017</b>.</p>	<p>👎 <b>Farmers have absolutely no say in the running of the privatized CWB</b>. The "Farmer Trust" will be run by appointed trustees; only one will sit on the 7-member Board. The <b>Saudi-Bunge partnership has full power over the trust</b>: it alone decides whether the "Farmer Trust" will continue after 7 years, whether the equity has any value and if any dividends will be paid.</p>
<p>👍 <b>Tax dollars did not fund the single desk CWB</b>: its assets were <b>built from the value of farmers' grain and democratic management</b>.</p>	<p>👎 The <b>Saudi-Bunge partnership was given the physical assets, market network, good name of the CWB and future revenue stream of billions</b> -- for a mere promise to invest \$250 million.</p>