

What is it?

The Wheat Storage Program (WSP) is a delivery option that offers you a contract premium and storage payments to store your No. 1 Canada Western Red Spring (CWRS) 14.5 per cent and higher wheat on farm for premium customers.

New for the 2010-11 crop year

Starting August 1, 2010 a portion of the storage payment will be paid with the premium after the sign-up deadline. Storage will start October 1, 2010 or contract sign-up date whichever is later.

Program highlights

- Contracts available for No. 1 CWRS 14.5 to 14.9 and No. 1 CWRS 15.0 and higher.
- Contracts are 100-per-cent accepted at time of sign-up.
- Producers are expected to deliver 90 to 100 per cent of their contract.
- Producers receive a premium of approximately \$25 per tonne on protein of 15.0 and higher, and \$20 per tonne for 14.5 to 14.9 per cent protein, which includes a portion of the storage payment which will be paid after the sign up deadline.
- Producers receive early delivery opportunity during the 2011-12 crop year to compensate for lack of bin space for new crop production by exercising the WSP delivery offset.*
- The previous \$6 to \$25 per tonne liquidated damages clause has been changed to a formula-based calculation.

Sign-up and commitment

- Producers can commit to the program by contacting the elevator for a sign-up application form.
- Producers must provide the elevator with a representative sample before signing up; liquidated damages will be assessed if the grain delivered does not match the contracted quality. The CWB will also collect back any premium and storage payments that were issued.
- Producers must sign up a minimum of 90 tonnes.
- Elevators should confirm grade and protein as No. 1 CWRS 14.5 and higher protein before signing up the contract.
- Sign-up begins August 1, 2010 and continues on a first-come, first-served basis until October 31, 2010 or earlier if the tonnage limit is reached.
- We will not accept sign-up applications directly from producers unless they plan to use producer cars for delivery. Producers planning to use producer cars can commit to the WSP in one of three ways:
 - calling us with their CWB producer ID number and four-digit PIN
 - completing the 2011-12 Wheat Storage Program contract sign-up application (available at www.cwb.ca) and faxing it to us at (204) 983-8031
 - working with your producer car administrator

Producers can choose to receive payments based on the 2010-11 or the 2011-12 pool return. If producers do not make their selection by July 31, 2011, they will automatically receive payments based on the 2011-12 pool return.

Note: There is no fee for producers wishing to settle their WSP deliveries in the new crop year.

- Producers can choose which pool year (2010-11 or 2011-12) to price their WSP tonnes against.
- CWB guarantees delivery by July 31, 2012 or sooner and once announced, producers have 30 days to deliver their grain.
- Wheat signed up under a 2011-12 WSP contract can be delivered against a 2011-12 Producer Payment Option (PPO) contract.

***WSP delivery offset**

To compensate for a lack of bin space for new crop production, producers will receive an early delivery opportunity during the 2011-12 crop year. Producers may deliver other classes and grades of wheat and durum, including CWRS not committed to the WSP contract, up to the total tonnes contracted to the WSP. To receive the advance delivery call, producers must have a 2011-12 Series A delivery contract for wheat or durum and there must be an existing contract call in place for the type of grain contracted.

For example:

A producer has the following 2011-12 contracts and delivery opportunities:

- WSP contract for 1 CWRS 15.0 and higher 250 tonnes delivery on or before July 31, 2012
- Series A CW Red Winter delivery contract 400 tonnes contract call for 25 per cent

The producer can deliver the following amounts of CW Red Winter wheat:

- 250 tonnes for the WSP delivery offset
and
- 100 tonnes (25 per cent) for the contract call

The advance contract call cannot exceed the tonnes contracted under the WSP contract. Once the WSP contract call has been announced, the delivery offset opportunity is no longer available.

Tonnes previously committed to a CWB cash advance are not eligible for a WSP contract program.

For more CWB information, please call 1-800-275-4292 (Monday to Friday, 8 a.m. to 6 p.m. CT (Winnipeg time)) or e-mail: farmerservice@cwbc.ca.