



WESTERN BARLEY GROWERS ASSOCIATION

A strong voice for a vibrant, market responsive barley industry in western Canada

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For Immediate Release

IT'S TIME... THE CANADIAN WHEAT BOARD'S CONTROL ON BARLEY MARKETING MUST END

January 3, 2008 – Airdrie, AB: Prairie producers are in the midst of planning their spring cropping intentions, yet still they do not know if barley will factor into those plans. "I need to know now that come August 1, 2008 that I can freely market my barley" states Jeff Nielsen producer and President of the Western Barley Growers Association (WBGA). All prairie barley producers need to know today, without any further delay, if they can contract their malt barley to either the maltster, or their local grain company directly. With that, producers will clearly know the contractual terms, price, delivery period, and quality and quantity aspects from the end user or buyer. This ability will be no different than being able to sign contracts for canola, flax or pulses that producers currently do.

The CWB has released plans for a "Guaranteed Cash Price Buying Program for Malt Barley." WBGA rejects this plan as completely unusable by producers and not acceptable by our grain trade or our domestic maltsters.

In separate releases today, Honourable Gerry Ritz – Minister of Agriculture and Agri-Food and Minister Responsible for the Canadian Wheat Board has stated that the new cash pricing option for malt barley is "a half measure" that he and the government of Canada won't accept. The Minister continues "The move does not provide clear, accurate and fully transparent price signals back to the farmer, and will still trap Prairie barley growers in the CWB's single-desk marketing system. Real action for marketing choice is the only option that will receive my full support."

The Western Grain Elevator Association (WGEA) is also calling for total barley deregulation. WGEA has been in similar negotiations with the CWB as previously were the Malt Industry Association of Canada (MIAC). These negotiations for both groups have failed. Both state that the CWB's contract terms do not allow WGEA or MIAC to provide full price transparency to their farmer customers, nor do the terms provide farmers and end use customers with the right market signals. MIAC reaffirmed their commitment to total deregulation when they denounced the CWB's "new malting barley pricing program" December 27.

WBGA was part of a "Barley Forum" discussion group in Regina, SK on December 10. In a communiqué release by the group it stated:

Barley farmers in Saskatchewan, Alberta and the British Columbia Peace country produce over 90% of western Canada's total barley production of 10–12 million metric tonnes. Of this, close to 100% of the malt barley malted comes from these areas. And from the processing side, the Malting Industry Association of Canada (MIAC) has called upon the federal government to move forward with total barley deregulation by August 1, 2008 from the CWB. MIAC members represent approximately 60% of the current CWB malt barley pool volume.

Farmers, along with farm organizations, the prairie grain trade, Winnipeg Commodity Exchange, the brewing industry, independent market analysts, MIAC and the Provinces of Saskatchewan, Alberta and B.C. all support the government in presenting to Parliament legislative reforms to the CWB Act removing barley from the monopoly as soon as possible. Marketing choice for barley must be in place for the new crop year.

"It is time the CWB board of directors takes action. Coming out of the Barley Forum, we had asked for a meeting with CEO Greg Arason and Chairman Ken Ritter and were refused" continues Nielsen. "The CWB states it is run by farmers for farmers. Now is the time to prove that. The CWB heard that 62% of barley producers want choice in a clearly worded plebiscite in 2007. CWB producer surveys have shown the same results. By continuing to support a failed barley monopoly system, they are not only financially hurting barley farmers; they continue to risk our international reputation as a source of providing the high quality and quantity of barley our end users expect.

If the CWB is unwilling to be proactive and remove the obstacles to barley deregulation then it is up to Minister Ritz and our government to ensure that these changes are done now. This will allow the transition of barley into a truly open market in time for the new crop year. One where not only our grain companies, malting companies can operate, but one where by our livestock feeding industry can participate on a level playing field.

"Our cattle and pork producers need, now more than ever, to know and see clear price transparency with barley. Barley innovation and growth won't happen without deregulation. We can produce for the needs of all our industry needs, be it malt, livestock feed, food, and fuel once total deregulation happens" concludes Nielsen.

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