



WESTERN BARLEY GROWERS ASSOCIATION

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

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For Immediate Release

PRAIRIE MALT PRODUCERS WANT OPEN, TRANSPARENT, MARKET SIGNALS FOR PRICING AND CONTRACTING MALT BARLEY, NOT A NEW POOLING SYSTEM

January 9, 2008 – Airdrie, AB: Today's media conference call releasing the Canadian Wheat Board's (CWB) *cash-buying plan for malting barley* goes against what barley producers, industry partners and the Canadian government has told the CWB they want.

"Clearly the CWB board of directors who represent producers are not listening to what we actually want and need, yet continue to claim that they are controlled by western Canadian farmers" states Jeff Nielsen, President Western Barley Growers Association (WBGA). "This plan does not respond to the operational issues of the Malting Industry Association of Canada (MIAC) or the Western Grain Elevator Association (WGEA) nor do they have the support of these key industry players. Producers will not support a half measure of mimicking a cash market while maintaining a pooling structure".

The CWB sets the price for producers and industry players with this new proposal, while the total price for this barley is hidden, and not reflective of actual market signals. Failing to provide accurate transparent prices, and holding on to a portion of producers money goes against what barley producers have been telling the CWB for some time. The proposal does not allow the maltsters or grain trade to fully disclose the price or the full net returns to the producer at time of delivery. This new revamped cash pooling malt barley plan continues to allow the CWB to charge administration costs back to the producer that are uncalled for.

WBGA members reject this plan outright. "As long as there is a *disconnect* between the farm price and the end-use price there will be no true price signals" comments Doug McBain, past President WBGA. "This system is completely dysfunctional the CWB expects maltsters and the grain trade to price grain for them where by the CWB has no role in sourcing that barley. Then farmers are expected to contract to industry players at the CWB set prices, this does not represent a true cash market. There is no ability to offset risk for the industry players or producers, the CWB offset their risk by discounting producer price from the sales price".

"The CWB has gone to great lengths to ignore true barley producer input in this program" continues Nielsen. "In Alberta alone, there is over 1 million acres of barley that producers do not have CWB permit books for. Our industry players need to access that barley, we as producers need a barley marketing system that is transparent, open and available to all, this plan refuses to address these issues".

WBGA calls upon farmers to contact their CWB director and remind them of their commitment to them as producers and work upon the wishes of them as barley producers. As well as call upon their Member of Parliament to ensure the government's commitment to move forward August 1, 2008 for barley freedom is realized.

WBGA supports Minister Gerry Ritz and his statement "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" .

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