



## WESTERN BARLEY GROWERS ASSOCIATION

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

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### CANADIAN WHEAT BOARD CONFIRMS NOTHING

**January 25, 2008 – Airdrie, AB:** The Western Barley Growers Association (WBGA) condemns a statement made earlier this week in which the CWB states it will offer forward sales contracts from the malting barley pool to interested malsters and other customers. “This statement, if anything, confirms the fact that the CWB has been holding hostage Canadian maltsters, Canadian grain handlers and western Canadian barley producers the right to market their new crop barley” states Jeff Nielsen, President of the Western Barley Growers Association (WBGA). “We have lost sales due to the fact the CWB has denied the trade the right to sell malt barley to their customers, thereby reducing returns to farmers. Now the CWB says they are willing to allow the trade to facilitate sales, and make direct contracts with producers if and only if they abide by CWB rules”.

With this the CWB continues to push the *CashPlus* program that farmers, maltsters, the Western Grain Elevator Association and the government of Canada have flatly rejected. In trying to intimidate the trade and producers the CWB continues to lose any lingering respect of western Canadian barley producers might have had.

“There is nothing new here, except the Board is now throwing in a new risk premium for pool account sales, the system has moved from dysfunctional to completely unworkable” states Tom Hewson, WBGA Vice President.

The message WBGA members have given its delegation going to Ottawa, January 29 will be to ask Minister Ritz to order the CWB to issue export and inter-provincial licenses for barley and barley products as an interim measure until barley is completely removed from the CWB Act by legislation on or before August 1, 2008.

“It is clear the CWB refuses to respect prairie barley producers and move forward.” says Doug McBain, Past President. “By insisting that western Canadian barley producers accept a non transparent - unclear pricing signals and third party interference by the CWB, this will only continue to drive barley production down”.

Nielsen has been attending the Western Canadian Wheat Growers Association convention in Minneapolis. In speaking with US farmers, and malting company representatives, Nielsen has seen first hand how contracting directly with the maltster benefits the US producer. Pricing opportunities for new crop malt barley are well in excess of \$7.00 per bushel. US maltsters know they have to pay high enough dollars to attract acres to barley production. With these contracts in hand, US producers can facilitate their financial planning needs with their lending institutions easily.

Canadian malting companies and grain elevator companies need this freedom to do this as well. Without this, western Canadian barley producers will be shifting acres out of barley, choosing crops that they can market freely, and contract for profitable prices and thereby securitize financial needs – as crop input costs continue to rise.

“The CWB has put our domestic malting sector and international malt sales at risk as they will not be able to attract the barley supplies needed. Jeopardizing value added in western Canada, and farmer’s net farm gate returns is totally unacceptable” concludes Nielsen.

WBGA respects the wishes of the government of Canada when it proclaimed in the throne speech, ***“Our government will recognize the views of farmers, as expressed in the recent plebiscite on barley, by enacting marketing choice”.***

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