



WESTERN BARLEY GROWERS ASSOCIATION

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

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For immediate Release

WBGA commends proposed changes to CWB to allow choice marketing of barley

April 24, 2007, Airdrie, AB: "With the announced plans to make amendments to the CWB Act, producers and industry now know what will happen as of August 1 of this year" states Jeff Nielsen, President of the Western Barley Growers Association (WBGA). "As it is within the government's power, according to the CWB Act to make these changes, barley producers will have the ability to choose whom they might sell their barley to this coming fall. This will include the CWB, as the changes do not remove the responsibility of the CWB to market any barley offered to it by producers. This will keep the risk management aspect of the CWB (as in price guarantees, and pooling) available for those producers that wish to continue using the CWB."

By law, it is the responsibility of the CWB board of directors to adhere to the CWB Act. "As the plebiscite and even the CWB's own surveys have shown, barley farmers want choice", proclaims Nielsen, "These amendments to the Act can be done by the Minister responsible for the CWB, and the government. It is then the duty of the directors to direct management to adapt to these changes. Failure to do so shows failure of the directors to uphold their responsibilities as outlined in the CWB Act".

The proposed amendments to the Regulations would continue to extend Part III (marketing) to barley. This would allow the CWB to continue to operate barley pools for those farmers who want to continue to sell their barley through the CWB. The Government would continue to guarantee the CWB's borrowings and initial payments.

Part IV (licensing) would no longer be extended to barley under the proposed amendments to the Regulations. This would remove barley and barley products produced in Canada from the CWB's single desk powers, which would enable barley producers to sell their barley directly to any domestic or foreign buyer, including to the CWB.

"We have seen uptake of the proposed changes already by leading Canadian grain companies such as Agricore United, Saskatchewan Wheat Pool, Pioneer Grain and Louis Dreyfus. Their marketing personnel are already working on customers for the new crop year. Add to that, barley pricing contracts being developed by the Winnipeg Commodity Exchange, producers can see and access markets beyond the current domestic market" comments Tom Hewson, WBGA Vice President.

Some of Canada's leading malting companies also have welcomed the proposed changes. They already have direct producer deliveries, now finally they can contract directly with barley farmers. This will ensure the top quality and quantity barley they need and the price transparency and price security farmers require. "These changes have been coming for a long time, our industries have been aware of it as well. WBGA was part of the Market Signals in the Barley Sector (industry, farm group, provincial and federal government round table) paper released last fall. In that paper industries and farmers realized more direct cooperation between the two would lead to a stronger more viable Canadian Malt industry and more return to the farm gate" concludes Nielsen.

The members of the WBGA commend Minister Strahl and our government for moving forward into choice marketing for barley. Western Canadian farmers have long awaited the changes and the added value and growth it will promote.

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