

WESTERN BARLEY GROWERS ASSOCIATION

Agriculture Centre – 909 Irricana Road

Airdrie, AB T4A 2G6

Phone: (403) 912-3998

Fax: (403) 948-2069 (Airdrie office)

www.wbga.org Email: wbga@wbga.org

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CWB's ability to undermine markets challenged at WTO

November 1, 2005 -- Airdrie, Alberta: In recent United States (US) International Trade Commission (ITC) findings the Canadian Wheat Board (CWB) was found to undercut prices in the US market 70 percent of the time. "This is a reprehensible position for Canadian producers and just as price distorting to the North American Market as US domestic support payments", says Doug McBain, President of the Western Barley Growers Association (WBGA).

U S domestic support artificially supports over production – lowering market prices, then the CWB undercuts the price to move Canadian product, lowering the price even more, resulting in the double shot to Canadian producers. "Ability to under sell the market is the only advantage of the single desk" comments McBain "that is not a benefit to western Canadian producers. That's the kind of benefit we can do without, it has ruined western grain producers".

"This practice is what the European Union (EU) and the United States want to eliminate at the World Trade Organization (WTO) talks. They want to end the CWB's ability to under cut any market." McBain observed from WTO talks.

The WBGA support the Canadian position of reducing tariffs, increasing market access and decreasing domestic support in international trade talks within the WTO that are taking place right now. Developments in these pillars of international trade are all a tremendous benefit to Canadian agriculture. Changes to the underlying fundamental issues that are causing low grain prices will be the result of an aggressive outcome in these WTO negotiations.

"There is not one country that would support a trade deal that will allow Canada to maintain the CWB's ability to undermine their markets " concludes McBain.

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For more information contact:

Douglas McBain, President

Cremona, AB

Phone/Fax: (403) 637-3880

dmcbain@wbga.org

Jeff Nielsen, Vice President

Olds, AB

Phone: (403) 556-3035 Fax: (403) 556-5978

jeffniel@platinum.ca

Western Barley Growers Association

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