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NEWS RELEASE

For immediate release

INNOVATIVE INFRASTRUCTURE FOR AGRICULTURE RISK MANAGEMENT ONE STEP CLOSER

August 4, 2006 – Ottawa, Ontario – A new concept for facilitating business transactions in the agricultural commodity sector is taking shape. The Western Barley Growers Association (WBGA) is developing an agricultural commodity clearinghouse – the first of its kind in Canada. A clearinghouse would oversee contracts between buyers and sellers to ensure the terms are fulfilled, minimizing the risk of doing business. The Private Sector Risk Management Partnerships (PSRMP) program has provided \$500,000 for the project.

“The agricultural commodity clearinghouse should result in a more competitive marketplace for our sector,” says Doug McBain, Chairman of the WBGA Clearinghouse project management committee. “With solid guarantees that contract terms would be met, we believe producers, grain agents, exporters and processors will have significantly increased market opportunities because of the inherent benefits of a clearing house system. This will provide immeasurable improvements to our industry.”

The clearinghouse, run by its members, would also provide:

\$ Arbitration procedures

\$ Standardized contract rules

\$ Impartial conflict resolution

\$ Application of up-to-date commodity valuation and margining to transactions

No arrangement of this kind currently exists in Canada for agricultural commodities.

The PSRMP funding will allow the WBGA to find a partner to operate the agricultural commodity clearinghouse and to consult further with stakeholders. The WBGA hopes to have the agricultural commodity clearinghouse operating by 2007.

The PSRMP provided \$500,000 for Phase 1 of the project in 2005-06. PSRMP programming helps the agricultural industry find solutions to identifiable gaps in available farm-level risk management coverage.

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