



Airdrie,

## WESTERN BARLEY GROWERS ASSOCIATION

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

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### GROWING FORWARD WITH BARLEY

**February 25, 2008 - Airdrie, AB:** Recently, at the Western Barley Growers Association's (WBGA) annual convention in Calgary delegates and sponsors heard how progressive growing barley forward will be in the near future. Keynote speaker Mr. Tim Stonehouse, Group Malt Sale Director for Muntons Malt, United Kingdom clearly stated the need for complete price transparency, and true market signals to the malt barley producer to ensure strong contractual relationships to prosper between farmer and maltster. Mr. Stonehouse stressed how long term contracts and strong relationships between grower and buyer were a priority for them. Need for malt barley is growing, and the ability for the maltsters to deal one on one with the produce will be more important growing forward. Global demand is seeing the need to increase production by 500,000 tonnes of malted barley per year, with no end to this need for growth in the foreseeable future. Dr. Stonehouse's presentation is available upon request from the WBGA's office.

"Hearing Mr. Stonehouse's presentation brings it back to western Canada the need to grow forward with changes to how we as producers market our malt barley" states Jeff Nielsen, President of WBGA. "The growth of our malting industry is in jeopardy and in dire need of change. We have lost over four new malt houses that could have been built here in western Canada, using our high quality barley, and clean water. Yet due to the continued interference of the Canadian Wheat Board, we see our industry suffer".

Prior to this year's convention the Canadian Wheat Board (CWB) broke off any further "negotiations" with Minister Ritz. In its inability to work with producers, industry, provincial governments and its own Minister, the CWB has widened the distance between itself and reality. Although a US maltster, circumventing the Canadian malting sector, has now used CashPlus, sources say that this player won't use CashPlus again.

"Producers that were offered CashPlus contracts can't understand why the contract is directly with the CWB and not the Maltster" comments Doug McBain, Past President of WBGA. "Without providing clear market signals or transparency, the producer is selling his malt barley into a system that is an abomination of pooling and cash, it is neither and it is both. The only function of the CWB is to arbitrarily set the price for farmers and maltsters. Then maltsters have three weeks to fill that contract directly with producers or it expires. We will be operating in a rotating 3 week dysfunctional program that has no relationship or connection to the barley market".

WBGA looks forward to this week. Tuesday has WBGA members in Winnipeg for the CWB vs. the Attorney General of Canada in the Appellant Court regarding the July 31/07 ruling where changes by regulation with barley were *ultra vires*. WBGA also looks forward to the introduction of legislative changes to the CWB Act regarding barley, as stated by Minister Ritz on February 13.

"Growing forward with these legislative changes will open the doors for greater expansion in barley development, variety research, innovation, value added and stronger net returns to all barley producers. It will maintain our strong livestock sector, and this new environment will allow producers to be in full control of their barley, just as we are with our canola, pulses, oats and flax. Growing (barley) forward will benefit more than just the producer - it will also build the value added side, causing growth in malting, fractionation, and perhaps ethanol production as just a few examples. Today's barley producer is looking to a strong profitable future, one that is good for all of Canada as well" concludes Nielsen.

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