



WESTERN BARLEY GROWERS ASSOCIATION

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

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For immediate Release

Challenges to CWB Regulatory Changes Unfounded

June 18, 2007, Airdrie, AB: "The legal challenge to changes made by the government of Canada in regards to the marketing of barley in western Canada are unfounded and a detriment to western farmers incomes" states Jeff Nielsen - President of the Western Barley Growers Association (WBGA). "The regulatory changes were made under Section 47, which clearly gives the government the rights to, by regulation, change how farmers may market their barley and not submit the CWB Act to a Parliamentary review".

A legal challenge was launched earlier last week by several individuals including former employees of the CWB, and special interest groups, keen on keeping the status quo. By maintaining the status quo they are suggesting that it is better for all barley producers to accept reduced returns in light of excellent market opportunities world wide. Saskatchewan and Manitoba have announced they will financial support this group. These provinces produce approximately 53%, of the total barley production.

Recent market gains of \$20 a metric tonne, has increased the value of barley in these provinces by \$132 million dollars alone. Alberta, the largest producer of barley on the prairies, has seen the value of barley rise by over 112 million dollars.

"By financially supporting the "Friends of the CWB" Saskatchewan and Manitoba are suggesting to their producers that pennies are better for their incomes than dollars" continues Nielsen. "This issue is over licensing, and the ability for growth and opportunities for barley to provide more for producers". WBGA has long stated and maintained that licensing is the key to the CWB control of wheat and barley; it is only by denying these licenses that the CWB forces farmers to sell to the board.

"Recently, Saskatchewan Wheat Pool, Canada's largest grain handler, stated that although there are some risks involved in marketing barley after August 1, they will be taking advantage of those risks to provide more access for producers to obtain higher returns. They also stated that malt barley sales to its share of Prairie Malt will not be affected by the changes. Gains on the Winnipeg Commodity Exchange show strong barley markets well into the fall and next year as well" says Nielsen.

The marketing provision for barley remains unchanged. The CWB has come out stating that they will operate in the barley market after August 1. Ward Weisensel, chief operating officer of the CWB and its Chair Ken Ritter both publicly stated last week that they will sell all barley offered to it by farmers, and are working to ensure that those producers receive fair values.

"It is frustrating that, for the past year, the CWB have stated they will refuse to work in a new environment. Now, the CWB has admitted that they have actually had a plan to market barley all along. Why did it take until now? By risking farmers' financial returns, it will be hard for the CWB to rebuild a level of trust in it" concludes Nielsen.

The members of the WBGA call on producers of all prairie provinces to contact their Ag Ministers and tell them that choice barley marketing is key to growth and increased value in western Canada.

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