



WESTERN BARLEY GROWERS ASSOCIATION

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

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Task force report on CWB key to creating a new and strong CWB II

October 31, 2006 - Airdrie, AB.: The Western Barley Growers Association believes the report tabled by the CWB task force will lead to creating an environment where farmers can finally sell their grains, where they as businessmen and women deem best. This, as the report states, will include a renewed CWB without its current monopoly on wheat and barley. "Clearly now we have a template for the current board and management of the CWB to work with to create the new entity CWB II" comments Jeff Nielsen, WBGA President, "direction from our government is to move forward with marketing choice, this report outlines the what, where, when and how it is to be done". "It is key that we move forward on this report as soon as possible and implement the changes to benefit producers that want choice and those that are comfortable with risk management tools that the new CWB II will offer" continues Nielsen.

"Time lines for implementation could be shorter" states Nielsen. He continues, "Barley, we believe, can come out of the monopoly by August 1, 2007 and wheat possibly by January 1, 2008". The WBGA realizes that the CWB Act does need to be replaced and a new one passed by Parliament. "Although due process takes time, implementation of the CWB II, sooner than later, will capture the advantages of the choice market environment sooner for producers".

The WBGA has always promoted the idea of market choice. This does and will include the CWB yet in a new format. The CWB II will continue to be a risk management tool producers can use. Initial government protection of the CWB II, as stated in the report, is instrumental in making sure the new entity fully transforms into a commercial corporation; one that will continue to be farmer owned and controlled. "Being able to buy shares in this new corporation truly means that farmers will be able to own and build the CWB II to best suit their needs" adds Nielsen.

Electing CWB directors this fall that support marketing choice will ensure that the CWB does fully complete the tasks outlined in the report. The report stresses that the government moves forward, cooperation is essential. "With 70 years of experience the wealth of knowledge within the CWB is substantial; with that I do believe that there should be no problem in completing the tasks outlined within the report" says Tom Hewson, WBGA Vice President. Hewson goes on to say "Changes will have to be made, restructuring may cost some jobs, yet in the long run the 85,000 farmers that are part of the current CWB will benefit".

"It is important to note, as stated in the report, that the producer's ability to get producer cars will not be affected. Producer car rights are guaranteed under the Canadian Grains Act and not the CWB, and that amendments suggested in the Compas Review be implemented. The report also states transportation reforms, under the Canadian Transportation Act, are needed" explains Doug McBain.

The WBGA wishes to thank the Task Committee for this comprehensive report and strongly encourage Minister Strahl to implement these changes as quickly as possible. We look forward to working with the Minister and urge other groups as well in creating a strong Wheat Board.

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Marketing choice - the way forward

***Report of Technical Task Force on Implementing
Marketing Choice for Wheat and Barley***

The task force was established by Minister Strahl on September 19, 2006 to recommend options on the way forward in implementing marketing choice for western wheat and barley producers. In its report to the Minister, the task force makes a number of recommendations on how best to proceed with a transition from single desk selling through the Canadian Wheat Board (CWB) to an environment where farmers may sell their wheat or barley to any buyer, including a transformed Wheat Board (CWB II).

To build on the CWB's strengths - knowledge, reputation with buyers, loyal producers and its pooling abilities - the task force recommendations include:

a farmer-owned CWB II that creates value and opportunities for farmers through buying and selling their grains and reducing supply chain costs;

production of a business plan by the CWB that prepares for the new marketing choice environment; and

a four stage transition from the monopoly powers of the CWB to the marketing choice environment.

- Period A - Preparing for change
- Period B - Forming CWB II
- Period C - CWB II Launch with Transition Measures
- Period D - Post Transition