

MEDIA RELEASE

**CWB Marketing Costs Barley Farmers up to \$3.7 million**

**August 8, 2002:** The Canadian Wheat Board's (CWB) marketing of barley has cost farmers up to a total of \$3.7 million in lost revenue, according to a statement released today by the Alberta Barley Commission, the Western Barley Growers and the Western Canadian Wheat Growers.

The three organizations were commenting on the CWB's decision to allocate \$2.5 million in interest income to the feed barley pool in order to bring the Board's final price more into line with returns in the domestic feed market.

They have also addressed a joint letter to CWB Chairman, Ken Ritter, in which they say that the Board siphoned 56,000 tonnes of barley out of the domestic market by artificially inflating the "Pool Return Outlook" (PRO) and then "dumping" the barley into the export market at a depressed price.

"The CWB PRO is supposed to be a price signal to farmers to tell them what their grain is worth if they sell it to the Board," said Alberta Barley Commission Chairman, Ken Sackett. "Instead, the PRO was inflated by \$45 per tonne above the prices the CWB was actually getting, and was attracting grain that should have stayed home."

The Western Barley Growers issued a news release on Tuesday (August 6) on this same subject. "Using farmers' money to cover up poor CWB sales returns is a clear distortion of market signals, and leaves the impression the Board actually sold feed barley for more than it did," WBGA president said in the release. According to Wagner, the entire episode shows "that the CWB is selling for less, therefore it is time the monopoly be removed."

The letter asks the CWB how dumping 56,000 tonnes of barley, at a net loss of as much as \$3.7 million below what that grain would have commanded in the domestic market, is consistent with its claim to maximize returns for farmers?

"The CWB must be accountable to farmers for its actions," said Wheat Grower President, Art Enns. "Selling at a discount and attempting to hide the results with interest income is totally inconsistent with the CWB's claims that prices would fall if the Board's monopoly is broken. In this case, farmers would clearly have been better off by as much as \$3.7 million."

The three organizations released their letter to Mr. Ritter publicly and say they are awaiting a reply.