



For Immediate Release

August 14, 2007

CWB Confirms Farmers Will Lose Millions on Barley

The release of barley price projections by the Canadian Wheat Board yesterday confirms the worst fears of the Western Canadian Wheat Growers Association – that prairie farmers stand to lose millions of dollars in revenue and profits on barley unless a free market is restored. On July 31, the Federal Court quashed the free market in barley that had been planned for August 1.

“These Wheat Board price projections mean that I’m taking a \$50,000 financial hit,” says Stephen Vandervalk, Alberta Vice-President of the Wheat Growers. “These numbers are real, they’re not based on some pie-in-the-sky economic study.”

Before the court ruling, prices at his local grain elevator were \$4.00 per bushel for feed barley and \$4.75 per bushel for malt barley. Vandervalk notes that the CWB is now projecting a final price of \$3.29 per bushel for feed barley and \$4.22 for malt barley at the same elevator. Even these projected prices overstate the true return of selling through the CWB. It takes up to 16 months for farmers to be fully paid under the CWB pooling system, and when storage, quality risk, price risk and cashflow considerations are factored in, the final realized CWB return is much less than these projected values.

“Where’s the premiums that the CWB and its supporters keep boasting about?” says Vandervalk. “It’s garbage to suggest the CWB gets us higher returns.”

Vandervalk had pre-sold 70,000 bushels of feed barley at the higher prices before the court ruling and has 30,000 bushels of feed barley remaining together with 70,000 bushels of malt barley. If he hadn’t pre-sold most of his feed barley, his losses would have exceeded \$100,000.

Vandervalk believes that barley prices being offered by the private trade would have gone even higher if the free market had become a reality on August 1. “Grain companies were offering good prices, but who knows how much more they would have climbed if the court ruling had gone in our favour. Instead of limit down, we likely would have seen limit up.”

The Wheat Growers are calling on the federal government to immediately fix the problem by harmonizing regulations across Canada with respect to the issuance of export licenses.

“Quite frankly, we don’t know what this government is waiting for,” says Cherilyn Jolly-Nagel, President of the Wheat Growers. “How can they sit back and watch prairie farmers lose thousands of dollars and the prairie economy lose millions of dollars.”

The Wheat Growers are critical of the Saskatchewan and Manitoba governments for supporting the court challenge that is now costing farmers thousand of dollars, and challenge the stance of federal opposition parties on the issue.

“Why do Eastern politicians think it’s fine to oppress western farmers, when they aren’t prepared to extend the CWB monopoly to farmers in Ontario, Quebec and Prince Edward Island?” asks Jolly-Nagel. “As far as I’m concerned Stéphane Dion and Wayne Easter have no credibility on this issue unless they stand up in the House of Commons and demand that the law of the land apply equally to all Canadian farmers. Western farmers shouldn’t face discrimination when Eastern farmers are free to sell their grain to whomever they please.”

For further information, please contact:

Stephen Vandervalk
Alberta Vice President
Western Canadian Wheat Growers Association
Cell: (403) 795-1171

Cherilyn Jolly-Nagel
President
Western Canadian Wheat Growers Association
Cell: (306) 354-7368

Innovative, farmer-driven solutions.