



*For Immediate Release*

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## **Wheat Growers Support Maltsters' Call for a Free Market in Barley**

The Western Canadian Wheat Growers Association is calling on the federal government to take immediate steps to allow Canadian maltsters the ability to buy barley direct from western Canadian farmers.

"Giving prairie farmers direct access to the malting companies will give us the ability to capture higher prices and improve our risk management on barley," says Cherilyn Jolly-Nagel, President of the Wheat Growers. "It will also give maltsters the ability to secure supplies, expand sales, and create more processing jobs throughout Canada."

The Wheat Growers are commenting on a news release issued today by the Malting Industry Association of Canada, in which the maltsters talk about their inability to provide prairie farmers with direct market signals. While the maltsters are seeking a free market by August 1, 2008, the Wheat Growers see no reason to delay action until then.

"Waiting until August 1 only means that farmers will suffer lower returns and miss out on opportunities to forward price malt barley at good prices," says Stephen Vandervalk, Alberta Vice-President of the Wheat Growers. "The poor market signal offered by the CWB through its pool accounts means we end up selling much more barley into the off-board feed market rather than the higher return malt market."

According to prices published by the Canadian Wheat Board, the average price offered to Canadian maltsters for top grade malting barley since the start of the crop year (August 1, 2007) has been \$372.90 per tonne, basis Vancouver. By comparison, the price that farmers can expect to receive is \$282.00 per tonne (CWB Pool Return Outlook, November 22), basis Vancouver, which is \$90.90 per tonne or almost \$2.00 per bushel below prices being paid by Canadian maltsters.

"The maltsters are paying good prices to the CWB, but it seems to disappear into the black hole of the pool accounts," says Vandervalk. "Where does all the money go?"

Farmers in Montana are receiving higher prices for their malt barley under the open market. Since the start of the crop year, the average U.S. price has been \$5.58 per bushel in northern Montana, or about 70 cents per bushel above the return Canadian farmers can expect to receive. The difference on feed barley is even greater – since the start of the crop year, cash prices in northern Montana have been \$1.15 per bushel above feed barley prices in Alberta (see attached charts).

"The CWB is costing western farmers millions of dollars," says Jolly-Nagel. "It's time to let farmers deal directly with our buyers. It'll be good for prairie farmers, good for Canadian investment and good for the Canadian economy."

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