

*First we end barley monopoly, Strahl: Plebiscite rules unclear: No plans for CWB's wheat monopoly 'at this time' National Post's Financial Post & FP Investing (Canada) November 4, 2006 Saturday*

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**HEADLINE:** First we end barley monopoly, Strahl: Plebiscite rules unclear: No plans for CWB's wheat monopoly 'at this time'

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**BODY:**

WINNIPEG - Canada's Conservative government will focus on removing the **Canadian Wheat Board's** monopoly on barley exports before tackling the agency's wheat monopoly, Agriculture Minister Chuck Strahl said yesterday.

"We're going to talk about barley, we're going to have a plebiscite on barley, and I hope we're going to have action on barley all quickly next year," Mr. Strahl told Reuters.

"We'll let that market evolve," he said. "I have no plans for wheat at this time."

The CWB holds a monopoly on sales of wheat, durum and barley from the Canadian Prairies to millers, maltsters and export markets.

The agency is one of the world's largest grain marketers, with revenues of \$3.7-billion for the year ended July 31, 2005.

Barley accounts for the smallest portion of the agency's business. Canadian farmers sell most of their barley to the domestic livestock market.

Farmers grew 12.3 million tonnes of barley in 2004, but the wheat board handled only 2.25 million tonnes of the crop that year, shipping it to maltsters in Canada, China and the United States, and to feed barley users in the Middle East and Japan.

Elected in January, the Conservative minority government vowed to end the board's monopoly to give farmers more choice in grain marketing. CWB officials say the agency cannot survive without the monopoly.

A task force charged with developing a plan to end the monopoly said Monday the government should pass legislation early in 2007 to open the market in 2008.

But Mr. Strahl said Tuesday he will start by giving farmers a vote on the barley monopoly.

The government has advertised for an independent firm to manage the vote, to be held by March, Mr. Strahl said.

But he said he has not yet decided who will be eligible to vote, whether votes will be "weighted" by size of farm and what question will be asked -- factors that farm groups and the wheat board say can skew the outcome.

Mr. Strahl said he will not determine the plebiscite details until farmers vote in ongoing elections for positions on the board's board of directors. Those results will be announced Dec. 10.

He also has not determined what percentage will constitute a majority in the vote -- and declined to say whether he will abide by the results if farmers vote to keep the monopoly.

"You have to wait for the results to come in, and then the government has to take action or not, as they see fit, based on that," Mr. Strahl said.

Plebiscites are never binding by their nature ... but they obviously have a very strong impact on what a government may or may not do."

If farmers vote to remove the monopoly, the government may need to pass legislation, he said, declining to speculate on when the market could be opened.

In a similar plebiscite held by a previous Liberal government in 1997, 63% of Prairie farmers voted to keep the CWB's monopoly on barley.

But Mr. Strahl said a poll done for the CWB in March showed farmers are willing to shed the monopoly.

That survey showed 46% of farmers would prefer an open market for barley, even if it meant losing the CWB as a marketing option.

In the same poll, 63% of farmers wanted to keep the monopoly on wheat if it meant losing the CWB.

**GRAPHIC:**

Colour Photo: Chris Wattie, Reuters File Photo; Agriculture Minister Chuck Strahl declined to say whether he will abide by the results if farmers vote to keep the barley monopoly.

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