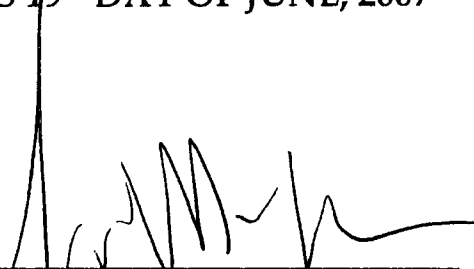


**THIS IS EXHIBIT "42"  
REFERRED TO IN THE  
AFFIDAVIT OF WARD P. WEISENSEL  
SWORN BEFORE ME  
THIS 19<sup>th</sup> DAY OF JUNE, 2007**



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A Notary Public in and for the  
Province of Manitoba



The Canadian Wheat Board  
La Commission canadienne du blé

April 11, 2007

The Honourable Chuck Strahl, P.C., M.P.  
Minister of Agriculture & Agri-Food and  
Minister for the Canadian Wheat Board  
Agriculture and Agri-Food Canada  
Sir John Carling Building  
930 Carling Avenue  
Ottawa ON K1A 0C5

**TRANSMITTED VIA FAX: (613) 944-9272**

Dear Minister Strahl:

Your letter of March 28, 2007, regarding your proposal to implement marketing choice on August 1, 2007, by amending the *Canadian Wheat Board Regulations* to remove barley from the application of Part IV of the *Canadian Wheat Board Act*, invited the board to comment by April 12, 2007.

Since receipt of this letter, a delegation of the board met with you in Winnipeg on April 3, 2007 and described the substantial commercial harm associated with the March 28<sup>th</sup> announcement and the legal uncertainty stemming from the proposed policy change. Then, on April 10, all directors met at a specially convened board meeting in Winnipeg to fully reflect on your letter.

From our discussions, the board of directors believes it is important to set the implementation date forward one year to August 1, 2008. This would allow time to establish legal clarity around the proposed regulatory change, alleviate commercial harm to the 2006-07 barley pools and mitigate uncertainty and commercial confusion in the marketplace. In our view, legal clarity could be obtained by the parties cooperating to establish a process to have the method of implementation ruled upon by the courts at the earliest opportunity.

As we mentioned when we met on April 3<sup>rd</sup>, given the current instability of the market, both farmers and the malting industry are either currently experiencing commercial harm or are at serious future risk. This instability exists because of the method that is being proposed for removing barley from the single desk. The experience of Continental Barley Market in 1993, where the marketing mandate of the CWB on barley was altered by regulation and then overturned by the courts is a recent memory for many of the players in the industry. While the CWB has no desire to challenge the method, it is widely suspected that there will be a challenge.

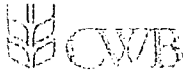
The board has reviewed in extensive detail the implications and consequences of the current instability in the barley market to our business and to that of our partners. The implications and consequences are summarized in the attachment and are consistent with our April 3<sup>rd</sup> discussion. We would like to review this information with you and discuss the potential for pushing the implementation date forward one full crop year.

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The Honourable Chuck Strahl, P.C., M.P.  
Minister of Agriculture & Agri-Food and  
Minister for the Canadian Wheat Board

April 11, 2007  
Page 2

I want to thank you for agreeing to meet with us early next week. We look forward to a constructive dialogue that results in a win for everyone – the federal government, the industry and farmers.

Sincerely,

A handwritten signature in cursive script that reads "Ken Ritter".

Ken Ritter  
Chair, CWB Board of Directors

KR/da

Attachment

c: Laurie Throness, Chief of Staff

**Implications and consequences to the marketing of Canadian barley stemming from the federal government's March 28, 2007 announcement.**

Since the announcement of March 28, 2007, the industry faces a very uncertain future. This is because no party — neither farmers, grain companies, maltsters, customers, nor the CWB — is certain of the marketing environment that will exist in 2007-08. Valuable sales opportunities are being lost now as buyers are waiting for some sign of certainty that either the single desk will remain or there will be an opportunity to source their product from multiple sellers. This uncertainty will only increase throughout the 2007 growing season.

As matters now stand, the CWB must continue to operate as a single desk seller. If we were to pass on attractive 2007-08 sales opportunities now and the government's actions did not withstand a court challenge, then the CWB would not have fulfilled its obligation to market in an orderly manner and maximize returns to farmers. The domestic value-added industry would also have been substantially harmed, since they would have lost export malt business to competitors, most likely from the European Union.

Maltsters and grain companies must decide whether to wait for legal certainty or presume the single desk will be removed August 1, 2007 and begin contracting farmers' barley and putting on new crop sales in response. If they do the latter and turn out to be wrong, they would be operating at substantial risk. Since the announcement of March 28<sup>th</sup>, companies are being extremely cautious on 2007-08 sales opportunities. With memories of what happened in 1993, grain companies are reluctant to commit to forward, off-board sales when there is legal uncertainty.

All of this is stalling additional business which could cost farmers tens of millions of dollars. The announcement has made it very likely that customers will hold off purchasing as much as they can until after August 1, when they may be able to purchase from competing sellers. The proposal will also likely make many 2006-07 contracts impossible to execute, creating further risk and potential losses. We are predicting, at this point in time, that malting barley pooled returns for 2006-07 will decrease by between \$8 and \$10 per tonne. This erosion began the day of the announcement and will continue if this uncertainty persists, making all farmers who delivered into the 2006-07 pool vulnerable to significant losses. The CWB will have to make note of this erosion in the upcoming Pool Return Outlook (a significant price signal that farmers rely on in making their marketing decisions) scheduled for release on April 26, 2007.

As per normal commercial practice in the malt barley market, the CWB has forward-sold several hundred thousand tonnes of 2007 malting barley, primarily to domestic maltsters. When maltsters are approached by their customers for new business, typically six to 12 months forward, it is vital to their business to price their barley at the same time. If the CWB cannot forward sell, then the business will migrate to other (primarily EU) maltsters. The export malt business is a successful value added grains sector located primarily in Western Canada. If the CWB's single desk is removed August 1, it is highly unlikely the CWB will be able to deliver on 2007 barley that has been forward sold.

More immediately, barring a change in the government's plans, the CWB would have no choice but to cancel all barley-related producer pricing options for 2007-08. These are among the very options that the farmer-controlled board has put in place to respond to producer demands for flexibility within the single-desk model.

Also, the CWB will have to advise both producers and customers that it will not be possible to offer the current pooled selling model in the absence of the single desk.

Finally there are additional risks associated with foreign exchange hedging. Specific losses are uncertain at this time, and will depend on contractual terms, the movement in the market and other factors.