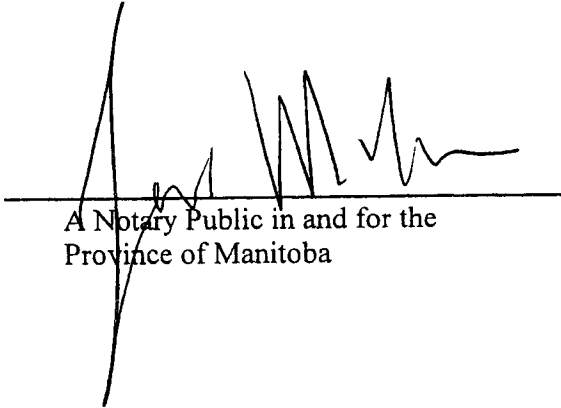


**THIS IS EXHIBIT "49"
REFERRED TO IN THE
AFFIDAVIT OF WARD P. WEISENSEL
SWORN BEFORE ME
THIS 19th DAY OF JUNE, 2007**



A Notary Public in and for the
Province of Manitoba



The Canadian Wheat Board
La Commission canadienne du blé

June 4, 2007

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

Dear Minister Strahl:

Re: 2007-08 barley initial payments and spreads

You have asked the CWB to recommend initial payments for wheat, durum and barley for 2007-08. Although we are able to do so for the wheat and durum wheat pools, the CWB is not currently in a position to make initial payment recommendations for any potential barley pools.

Initial payment recommendations are normally prepared in the presence of two major uncertainties – the quantity and quality of production in Canada, and the quantity and quality of production in other countries. For designated (malting) barley, the proposed regulatory change has created two additional uncertainties – whether the open contracts we currently have booked for 2007-08 delivery will be in or out of such a pool, and what share of new Canadian malting barley sales the CWB might have. In addition, although we certainly understand the government's policy direction on the single desk for barley, we cannot ignore the fact that there is still legal uncertainty as to whether or not there will be a single desk for barley in 2007-08.

Unfortunately, these uncertainties make it impossible to project pool size and the prices of sales that may or may not be included in such a pool. This is why we also had to stop publishing a Pool Return Outlook for barley for 2007-08. The CWB can recommend initial payments only if we have sufficient information that allows us to stand behind the recommendations as being reasonable and responsible. The uncertainties created by the timing of the proposed regulatory change do not allow this.

With respect to the open contracts we currently have booked for 2007-08 delivery, the joint CWB/Malting Industry Association of Canada letter to you dated May 25, 2007 lays out options for dealing with that business. These options would result in that business being separate from any additional new sales. Your response to that letter does not indicate whether the government intends to provide financial backing to allow that business to be concluded. This information is critical to resolving one of the uncertainties with respect to 2007-08 initial payments, i.e. are the open contracts in or out of a potential pool?

Subsequent to resolution of the open contracts issue, we would be able to provide a recommendation for initial payments for a single desk environment. If the government requires information for initial payments in an open market environment, we would need to know what the government's intentions are with respect to pooling. For example, if the government's intention is to set initial payments to make the pool an attractive option for farmers, that would imply setting the initial payments high enough to compete with cash market values, but at considerable risk of a deficit. On the other hand,

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The Honourable Chuck Strahl
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if the government's intention is to minimize risk of a deficit, that would imply setting initial payments relatively low, but with the probable outcome that pooling would not be used by farmers to any significant extent.

In summary, the questions we are asking the government are:

1. Will the government provide financial backing to allow open 2007-08 contracts to be executed and thus excluded from any other pools?
2. Would the government like the CWB to recommend initial payments for barley that assume a single desk environment?
3. If the government requires information for initial payments in an open market environment, what does the government want to achieve with pooling?

Once we responses to the above questions, we would be pleased to provide information that the government could use to set initial payments for barley.

We look forward to discussing this issue further with you as soon as possible.

Yours truly,

A handwritten signature in black ink, appearing to read "Greg Arason", written over a horizontal line.

Greg S. Arason
President and Chief Executive Officer

GA/air

POC1799-CEO

c: Mr. Paul J. Martin, Director General, Marketing Policy Directorate (AAFC)
Mr. Laurie Throness, Chief of Staff to the Minister for the Canadian Wheat Board
Terry Hearn, ADM, Corporate Management Branch (CMB)



The Canadian Wheat Board
La Commission canadienne du blé

June 4, 2007

CONFIDENTIAL

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

Dear Minister Strahl:

Re: Recommended initial payments and grade spreads for 2007-08

The Canadian Wheat Board (CWB) has reviewed sales and price prospects for the 2007-08 crop year for the purpose of recommending initial payments. Following are our recommendations for the base grades in the wheat and durum pool accounts, which reflect our market expectations for the coming crop year. If there is any significant change in market factors prior to the start of the crop year, we will advise you of the impact on our recommendations accordingly.

<i>Initial payment 2007-08 (August 1, 2007)</i>	<i>May 2007 PRO</i>	<i>Initial payment 2006-07 (August 1, 2006)</i>	<i>May 2006 PRO</i>
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- Canadian dollars per tonne -

No. 1 CWRS 12.5	158.00	205.00	137.50	199.00
No. 1 CWAD 12.5	158.25	217.00	118.00	183.00

We are projecting the Canadian dollar to average close to 89 cents over the course of the 2007-08 pools. When recommending the initial payments last year, a projection of 88.5 cents was used and 2006-07 pools are currently on track to average 88 cents. In comparison, the average exchange rate experienced was about 86 cents in 2005-06, 79 cents in 2004-05, 74 cents in 2003-04 and 69 cents in 2002-03.

Our recommendation for the base grade in the wheat pool account (\$158.00 per tonne) is higher than last year's starting initial payment. Despite an increase in global wheat production in 2007-08, global wheat ending stocks are projected to decline for the third consecutive year, leading to nervousness about crop production prospects in key exporting regions. The CWB is forecasting relatively strong milling wheat prices through the balance

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of the marketing period. Supplies of high protein milling wheat are expected to tighten with a return to normal growing conditions in the North American spring wheat growing regions. This, along with expectations of lower than normal protein levels in the U.S. Hard Red Winter wheat region are expected to support protein premiums. U.S. corn ending stocks are expected to be tight even if trend yields are realized, and strong U.S. domestic demand for the ethanol sector is expected to continue to lend support to the wheat market.

Our recommendation for the base grade in the durum wheat pool account (\$158.25 per tonne) is higher than last year's starting initial payment. Global durum fundamentals are considerably stronger than they were at the same time last year given much tighter 2006-07 North American durum ending stocks and the prospect of flat European durum production. Based on current North American production prospects, 2007-08 durum ending stocks in Canada and the U.S. are expected to remain much tighter than has been the case in recent years.

The CWB's position on 2007-08 initial payment recommendations for the designated barley and feed barley pools is contained in the letter that has accompanied this correspondence.

Further details of our market outlook for the wheat and durum wheat pool accounts are contained in the attached summary. CWB price forecasting, sales planning and finance personnel have been in contact with Agriculture and Agri-Food Canada and Finance officials regarding the specifics of the analysis. Early in the crop year, when we have a clearer view of market factors, the CWB will review the initial payment levels for possible increases. We would appreciate your support at that time in getting the adjustment payments approved and out to farmers as quickly as possible. This approach is consistent with our objective of advancing returns to farmers as quickly as possible in the crop year.

We have also attached a table indicating initial payment grade spreads for the 2007-08 crop year.

We have enclosed the following documents for your officials to initiate the appropriate action:

1. Submission to Council and Order in Council in both English and French (one copy of each in final form), which will establish the initial payments for the base grades in the wheat and durum wheat pool accounts for the 2007-08 crop year; and
2. Submission to Council and Order in Council in both English and French (one copy of each in final form) to obtain the approval of the Governor in Council for the grade spreads in the wheat and durum wheat pool accounts effective August 1, 2007, together with Schedules.

The French Schedules for the Submissions and Orders will be inserted by officials at the Food Value Chain Bureau.



The Honourable Chuck Strahl
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It is important that these matters be finalized prior to August 1, 2007 so that this information can be communicated to farmers and our handling agents. We would appreciate if your officials could make the necessary arrangements to have the Orders passed well before this date.

We would be pleased to discuss this matter further if you wish.

Yours truly,

A handwritten signature in black ink, appearing to read 'Greg Arason', with a long, sweeping horizontal line extending to the right.

Greg S. Arason
President and Chief Executive Officer

GA/ajr

Attachments

POC1801-CEO

- c: Mr. Paul J. Martin, Director General, Marketing Policy Directorate (AAFC) [also on diskette]
- Mr. Laurie Throness, Chief of Staff to the Minister for the Canadian Wheat Board
- Terry Hearn, ADM, Corporate Management Branch (CMB)