

Canadian Grain Commission
Chief Commissioner Patti Miller
Assistant Chief Commissioner Doug Chorney
Commissioner Lonny McKague
June 11, 2020

Re: Canadian Grain Commission (CGC) policy items for consideration

Keystone Agricultural Producers (KAP) is Manitoba's general farm policy organization, representing and promoting the interests of agricultural producers in the province. KAP's membership consists of approximately 4,500 farm families and 25 commodity associations.

KAP policy supports the CGC as the agency responsible for regulating grain handling in Canada. The CGC must operate in an efficient manner for the benefit of farmers and the Canadian grain industry and remain an independent third party to establish grain grades and standards.

KAP members have identified areas in which the CGC and the Government of Canada can make improvements to better support producers and the Canadian grain handling system.

The Role of the CGC

KAP supports the continuation of the CGC and its mission to ensure the integrity and marketability of Canadian grain. Recent ratification of trade agreements, particularly the Canada US Mexico Agreement (CUSMA), amplifies the importance of the CGC's role and the requirement that its policies, programs and services support primary producers in Canada.

CUSMA

In March 2020, Bill C-4, an Act to Implement CUSMA, passed the House of Commons without the standard consultation and debate. The Government of Canada anticipated a Parliamentary shut down due to COVID-19 and passed a motion that Bill C-4 be deemed read a third time and passed. It is expected that CUSMA will be formally ratified and come into effect before the end of the 2020 crop year. The Act amends the Canada Grain Act and Regulations and has significant implications for farmers. It is critical that farmers be consulted prior to legislative and regulatory changes that impact their operations.

Bill C-4 amends the Canada Grain Act to allow US grain to receive a statutory grade if it is a registered variety under the Seeds Act. It also clarifies that US-grown grain is no longer considered to be imported grain. These changes will make it easier for American farmers to sell registered varieties into the Canadian market.

Customers of Canadian grain purchase it because they are guaranteed to receive a high-quality product that will have the characteristics they are seeking. The Government of Canada must ensure that Canadian grain meets the standards required to maintain its international reputation and market access must continue. Currently, grain companies ensure deliveries meet Canadian standards using variety declarations. An improved system of varietal declaration will provide some reassurance to Canadian farmers and international buyers in this regard. KAP recommends that the CGC continue with efforts to implement the declaration of eligibility for delivery of grain at licensed elevators.

The CGC must be equipped with the appropriate resources to investigate noncompliance and enforce penalties to deter the misrepresentation of grain. Systems must be in place to ensure the CGC has jurisdiction over all grain entering the Canadian grain handling system.

Falling Number

High rates of precipitation during harvest 2019 caused many challenges with grain quality. Falling number, which is not a grading factor, was tested for at elevators across Manitoba and farmers noticed variability with the test results they received at the elevator compared to their own analysis.

Some of the challenges brought forward this year by KAP members were presented to the CGC during the consultation on DON and falling number in spring 2019. Manitoba farmers remain concerned about testing reliability, repeatability, and accuracy.

In February 2020 KAP members passed a resolution that the CGC investigate methods to standardize and increase testing precision and speed in the determination of falling number. In the interim, KAP can work with the CGC and the Western Grain Elevators Association to assist farmers through the development and dissemination of best practices relating to sampling, visual determinations, and storage.

Moisture Testing

Determining the moisture content of grain is important for quality, safety, and storage. The CGC and many elevators use a unified grain moisture algorithm (UGMA) moisture meter whereas Manitoba farmers typically use an older style of moisture tester called a 919. UGMA testers use a different wavelength than a 919 tester and that can provide different results.

KAP members have reported incidents whereby their on-farm moisture test results were significantly different than the results they received at an elevator. The CGC offers moisture determination guidelines and calibration protocols, but they are not responsible for moisture meter certification.

Factors that influence moisture testing include kernel properties, environmental conditions and instrumental properties. While some factors, like outside temperature, cannot be controlled, consistent results are more likely if equipment is standardized.

KAP recommends that the CGC investigate options to rectify the differences between UGMA and 919 moisture testers so farmers and elevators receive more consistent moisture test results.

Protein Testers

Protein figures are a key indicator of how wheat will perform for the end user, so accurate test results are imperative. KAP members are concerned that test results will vary due to protein testers that are not standardized or calibrated. KAP recommends that the CGC implement a system of standardization and calibration for protein testers.

Subject to Inspector's Grade and Dockage

If a farmer disagrees with the assessment of grade and dockage at the elevator, they have the option to dispute the assessment by asking that a sample of their grain be sent to the CGC. KAP members were concerned during harvest 2019 about grade disputes at the elevator and in response KAP reminded

members of their right to request subject to inspector's grade and dockage and encouraged producers to use the process to settle disputes.

One of the challenges with subject to inspector's grade and dockage is the process is initiated at the time of delivery. Many farmers hire truckers to haul their grain to the elevators who may not have the knowledge, authority or incentive to ask for an assessment. If subject to grade and dockage is not initiated upon delivery, the elevator may not have the 1 kg representative sample required by the CGC for assessment.

Section 34 of the Canada Grain Regulations, Sampling on Delivery, requires that a 1 kg sample must be taken from each load and retained at the elevator. KAP recommends that the section be updated to require elevators to retain 1 kg representative samples until a final cheque has been issued to the farmer.

Section 36 of the Canada Grain Regulations, Subject to Inspector's Grade and Dockage outlines the process to collect and submit a sample to the CGC. KAP recommends that the section be updated to include a provision that farmers may initiate the process at any time from delivery to cheque settlement.

Summary

Canadian grain has an international reputation for being a high quality and consistent product. The role of farmers, the CGC, and all stakeholders throughout the Canadian grain handling system is crucial in ensuring the continuation of this high standard. KAP will continue to provide up to date information to its members on their rights and responsibilities.

KAP recommends that the CGC:

- Continue with efforts to implement delivery declaration forms at licensed elevators.
- Investigate methods to standardize and increase testing precision and speed in the determination of falling number.
- Investigate options to rectify the differences between UGMA and 919 moisture testers.
- Implement a system of standardization and calibration for protein testers.
- Consider updates to sections 34 and 36 of the Canada Grain Regulations.

KAP anticipates fulsome involvement in the forthcoming review of the Canada Grain Act and will provide further comment upon initiation of the consultation.

Sincerely,



Bill Campbell,
KAP President