

National Office  
2717 Wentz Ave.  
Saskatoon, Sask.  
S7K 4B6  
Tel (306) 652-9465  
Fax (306) 664-6226  
E-Mail: nfu@nfu.ca



**national farmers union**

***In Union Is Strength***

**FOR IMMEDIATE RELEASE**

**MAY 13, 2005**

**NFU OFFERS CONDITIONAL SUPPORT FOR CGC ENFORCEMENT INITIATIVE**

The National Farmers Union (NFU) welcomes the announcement by the Canadian Grain Commission (CGC) that licensing requirements contained in the Canada Grain Act (CGA) will be enforced. However, any potential loopholes which put farmers at financial risk should be closed, and enforcement should begin "sooner rather than later," according to NFU spokesperson Fred Tait.

The CGC is calling for grain companies and dealers to comply with the CGA licensing requirements by August 1, 2006. In addition, a 120-day comment period was also announced by the CGC to solicit input from stakeholders on the enforcement initiative. The CGC is responsible for licensing primary, process and terminal elevators as well as grain brokers.

"The requirement that grain companies be licensed has always been a part of the Canada Grain Act, but in recent years it was not enforced," explained Tait. "This put farmers at risk because they assumed that if a grain company was in business, it must be licensed. The onus was completely on farmers. Unfortunately, some people found out the hard way they were left holding the bag if the grain company went bust."

Farmers who sell to unlicensed grain companies also do not have access to statutory rights under the CGA guaranteeing fair grading of their grain.

The CGC was set up by the federal government as a watchdog agency to ensure Canadian grain quality is not compromised, that farmers are treated fairly by the grain trade, and that the rules are applied equally to all grain companies. Over the last decade, however, a number of unlicensed grain companies and brokers have taken advantage of lax enforcement measures to set up shop.

The NFU and many other farm organizations have consistently called on the CGC to enforce the provisions requiring that all grain elevators and companies be licensed and post security to cover producer losses in the event the company cannot cover its payment obligations. (The CGA exempts listed producer car loading facilities from the licensing requirement. In these cases, farmers take responsibility for their own grain shipments. Producer car loading facilities must also pay specific fees and abide by specific rules laid down by the Canada Grain Act.)

Tait said greater enforcement of the CGA is badly needed, and said the time frame for companies to comply with the licensing requirement is far too generous. "In the meantime, it is in farmers' own best interests to deal only with licensed elevators and grain companies, or exempted producer car loading facilities," he concluded.

- 30 -

Contact: Fred Tait, Rossendale, Manitoba (204) 252-2153  
Terry Pugh, NFU Executive-Secretary (306) 652-9465