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national farmers union

In Union Is Strength

FOR IMMEDIATE RELEASE

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AMENDMENTS TO CANADA GRAIN ACT WEAKEN FARMERS' PROTECTIONS

Bill C-39, a bill proposing amendments to the *Canada Grain Act (CGA)* introduced in the House of Commons by federal Agriculture Minister Gerry Ritz, will fundamentally “turn back the clock” by altering the mandate and function of the Canadian Grain Commission (CGC), says Stewart Wells, President of the National Farmers Union (NFU).

The amendments will remove the requirement that the CGC operate as a public interest watchdog that regulates the overall grain industry “in the interests of producers”. If this bill passes, the grain industry would become virtually self-regulating, and the CGC’s role will be reduced to being a passive “service provider” that provides grading, weighing and inspection services to grain companies on a fee-for-service basis. Farmers’ protections will be reduced to a minimal level, while the legislation leaves the door open for companies to be able to circumvent those limited protections.

Wells said farmers have not been calling for changes to the CGA. The pressure to change the CGA and restructure the CGC is coming from large grain companies. “Canada’s farmers have not advocated any weakening of the CGC regulatory role,” he said. “At a time when grain companies like Viterra, ADM and Cargill are consolidating their hold over the market, it is obvious there needs to be a mechanism in place to provide farmers with protection.”

Bill C-39 proposes removal of mandatory inward inspection of grain, a move which would severely undermine the ability of the CGC to maintain Canada’s existing high quality standards, said the NFU President. “The current system allows grain inspectors to catch contaminated, off-condition or incorrectly-represented carloads while they are being emptied, weighed, and elevated, and before they are mixed with large quantities of other grain,” he said. “Eliminating this provision will have a negative effect on farmers’ bottom line.”

The amendments also call for eliminating the provision that grain dealers post a security bond before they can be licensed by the CGC. This provision was put in place to protect farmers who would be left holding the bag if the grain company goes bankrupt. “Eliminating this requirement will not save farmers any money,” stated Wells. “It will, however, greatly increase their risk.”

The NFU President concluded the Harper Government appears intent on “turning back the clock to the 1800s, when there was no Canadian Grain Commission, no Canadian Wheat Board, no public research, no fairness, no equity, no justice and no market power for farmers.”

For a detailed critique of the proposed changes, please download the “Submission by the National Farmers Union to the Canadian Grain Commission Study on Inward Services”, dated March 29, 2006, available at www.nfu.ca/briefs.html

- 30 -

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