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In Union Is Strength

FOR IMMEDIATE RELEASE

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FARMERS' LIABILITY A GROWING CONCERN DUE TO DEREGULATION

Farmers in Manitoba and across Canada are being forced to bear greater liability as a result of deregulation of the grain industry, says Fred Tait, Manitoba Coordinator of the National Farmers Union (NFU).

In a presentation to the Manitoba Agricultural Services Corporation (MASC) in Portage la Prairie, Manitoba, March 4, Tait and fellow NFU Board Member for Manitoba, Bev Stow, said regulatory and legislative changes to the *Canada Grain Act* and the Canadian Grain Commission (CGC) mean that farmers can no longer assume they are protected from potential lawsuits when errors or accidental misrepresentations occur in the bulk grain handling system. In the long-term, the increased liability for farmers will have serious implications for provincial crop insurance agencies like MASC.

“The accelerating introduction of this new regulatory regime means that farmers will face situations that are not necessarily covered under normal crop insurance circumstances,” stated Tait. “For example, if a farmer takes out crop insurance under MASC and then applies for assistance, only to discover that his grain is not a registered variety, what happens then?”

Tait said Bill C-13, introduced in the House of Commons by the Harper government last week, would eliminate licensing and bonding requirements for grain companies, and also eliminate mandatory inward inspection and weighing of grain. “If a farmer suffers a severe financial loss due to an unlicensed grain company declaring bankruptcy, what policies – if any – would MASC implement to insure farmers against such an occurrence?” he asked.

Tait said the CGC announced last month it is reducing farmers' access to on-site inspection services, including the CGC facility in Brandon, Manitoba. “The loss of access to inspection services, and the resulting loss of legal protection afforded farmers by the CGC inspection certificates, are issues that must be addressed by the MASC,” he said. “Many farmers will be unaware of the correct procedures needed to retain official samples of their grain deliveries, and may be held liable for unintentional contamination of grain shipments.”

The elimination of the Kernel Visual Distinguishability (KVD) system last August by the federal government created a situation where the onus is now on farmers to prove the identity of the grain variety they deliver to their local elevator, Tait explained. “The loss of the KVD system means that producers will likely be held liable for unknowingly misrepresenting a variety that may eventually contaminate a shipment. The only protection farmers may have under this scenario is to ensure they retain a sample obtained on their farm by a licensed inspector. Farmers may also be at risk financially if they buy a variety that is misrepresented by a seller, and consequently suffer lower yield and/or quality.”

“Identity-preserved systems are not infallible, and in fact are likely to seriously impair Canada’s ability to maintain quality standards,” stated Tait. “In the absence of any proven alternative system capable of guaranteeing Canada’s grain quality standards, the NFU believes the KVD system for variety identification must be immediately reinstated.”

Tait also requested that MASC undertake a study to determine potential correlations between soil erosion and the removal of shelterbelts and tree cover. “While farmers clearly tend to bear the direct costs of this loss of valuable topsoil in the near term, the long-term costs are more difficult to measure. The total cost of soil erosion is ultimately paid by all ratepayers.” He said if a correlation is determined, crop insurance premiums should be adjusted to reflect the individual policy holder’s efforts to limit the risk of soil erosion as evidenced by their decision to remove or retain shelterbelts and tree cover.

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