



**Submission by the National Farmers Union
on the
Grain and Field Crop
Trade Sector Review**

**Presented to
Measurement Canada
An Agency of Industry Canada**

October, 2007

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Introduction

The National Farmers Union (NFU) welcomes this opportunity to present its views to the Grain and Field Crop Trade Sector Review being conducted by Measurement Canada.

The NFU is a direct-membership, nation-wide organization made up of thousands of farm families in western Canada, Ontario and the Atlantic provinces. Our organization was founded in 1969 and chartered in 1970 under a Special Act of Parliament. The NFU and its predecessor organizations have always worked to implement policies that help ensure agriculture is socially, environmentally and economically sustainable.

While NFU members produce a wide range of commodities, we believe the problems facing farmers are common problems, and that producers of various commodities must work together to advance effective solutions in their common interests. The NFU believes that food production should lead to enriched soils, a more beautiful countryside, jobs for non-farmers, thriving rural communities and healthy natural ecosystems.

One of the major policy goals of the NFU is to ensure that farming families are able to gain and maintain a reasonable level of economic power in the marketplace. In order to facilitate this policy goal, it is essential that the parameters and rules of the marketplace be set fairly, and that these rules be enforced in the public interest.

It is in this context that we see a pivotal role for Measurement Canada.

The paring down of Measurement Canada's internal resources over the past two decades has been used as a rationale for privatizing the agency's functions, in accordance with the prevailing ideology of reducing the public sector's role in the economy.

The evidence proves that deregulation of the grain sector has not resulted in any savings to farmers, nor has it resulted in adequate protection of the public interest.

However, Canadian farmers rely heavily on Measurement Canada to guarantee that all weigh scales and other measuring devices are calibrated accurately before they are used commercially, and also to ensure that these devices are tested and inspected at frequent intervals to guarantee their ongoing accuracy. It is, therefore, of critical importance that Measurement Canada receive sufficient funding from the federal government to ensure it is able to carry out its responsibilities at a high level.

The NFU is strongly opposed to the concept and practice of “self-regulation” by grain companies in relation to inspection and certification of weigh scales. The recent buyout of Agricore United by Saskatchewan Wheat Pool to form Viterra, combined with the ongoing growth and consolidation by Cargill, Bunge, and other large companies has resulted in a market situation where farmers’ economic power is being steadily reduced. While it is acknowledged these companies have significant technical knowledge and expertise in the operation and maintenance of such devices, the business interests of these companies create a potential conflict with the interest of the public, and farmers in particular. It is, therefore, critically important that the role of Measurement Canada be strengthened, not weakened.

Regulation and the grain trade

The existence and authority of a regulatory body with a mandate to ensure honest weights and measures is a fundamental principle in the effective functioning of a commercial system where commodities are bought and sold. For centuries, laws relating to the grain trade – in the ancient, medieval and modern world - have contained a significant amount of detail regarding weights and grades.¹ In Canada, the *General Inspection Act* of 1873 marked the earliest national legislation aimed at regulating “Staple Articles of Canadian Produce” – with specific reference to grains and oilseeds.² This Act was amended in 1885 to specifically deal with western Canadian grains, in particular red spring wheat. In 1891, the Act was amended to allow grain inspectors to be appointed “official weighers” within their respective inspection divisions.³

¹ *“If you look at the jurisprudence that has survived from other civilizations, the biggest body of jurisprudence that has survived from the Roman Empire is the extensive legacy of legislation around wheat grading, wheat transport and wheat distribution. The biggest Roman relics left today are the great grain elevators at Ostia, to provide grain to the Roman Empire. There has never been a free market in agriculture. There never has been and there never will be. Those supposedly unregulated markets, they’re regulated, believe me. It’s just a question of by whom are they regulated and for whose benefit.”* Larsen, Ken. **Our Board, Our Business: Why Farmers Support the Canadian Wheat Board**, Fernwood Books, 2007.

² **Canadian Agricultural Policy: The Historical Pattern**, by Vernon C. Fowke, University of Toronto Press, 1945. Page 241

³ **Canadian Agricultural Policy: The Historical Pattern**, by Vernon C. Fowke, University of Toronto Press, 1945. page 243

But the legislative provision for government-appointed inspectors responsible for weighing and inspecting scales at terminal elevators was inadequate to meet the reality of a burgeoning western agricultural frontier. Dozens of country elevators were rapidly being constructed along the Canadian Pacific railway line.⁴ The majority of these line elevators were owned or controlled by only 5 companies⁵ and the inequality that existed in the marketplace led to considerable agrarian protest and calls for reform.

In 1899, a Royal Commission was appointed to examine the allegations raised by farmers against the grain trade and railways. Specifically, the Commission focused on three issues: whether farmers were subjected to “unfair and excessive dockage for grain at the time of sale; *the fairness of the weights allowed or used by the owners of elevators*: and whether line elevators kept grain prices low through the exercise of a monopoly position with respect to rail car allocations.⁶ The Royal Commission recommended legislation to ensure the public interest was protected. The Commission stated: “There being no rules laid down for the regulations of the grain trade other than those made by the railway companies and the elevator owners, we think it of great importance that laws should be enacted and that rules should be made under power given by such laws, which will properly regulate the trade.”⁷ The Commission drew heavily on a state law from Minnesota which had been adopted in 1885. Commissioners recommended that weigh scales at terminal elevators be under the direct supervision of government inspectors. These recommendations were incorporated into the *Manitoba Grain Act* of 1900. However, problems persisted not only at country elevators but also increasingly at port terminals. In 1908, further amendments to the Manitoba Grain Act strengthened the role of government inspectors in supervising the binning and cleaning of grain at the terminals. The amendments also paved the way for a “separate and larger weighing staff to better supervise weighing”- which was eventually implemented in 1913 following passage of the *Canada Grain Act* in 1912.

The need for government inspectors responsible for protecting the public interest became strikingly clear in 1909, when an audit of the grain in the terminals at the lakehead revealed that stocks and shipments of No. 1 Northern, in the case of two terminals, exceeded receipts **by over one million bushels**.⁸ Overages were deliberately created in

⁴ “Standard elevators had been built along the railway under concessions amounting, so far as farmers could see, to monopoly grants. Specifically, where such elevators existed the CPR refused to permit car loading except through the elevators. Farmers had the doubtful alternative of shipping by way of the standard elevator or of selling to a street buyer. They were convinced that in many cases the monopoly position meant lower prices, lower grades, excess dockage, *and in certain cases dishonest weight*.” Fowke, page 244.

⁵ “Three line elevator companies own 206 elevators. The Lake of the Woods Milling Company own 50; the Ogilvie Milling Company own 45, and the Farmers’ Elevator Companies own 26.” **The National Policy and the Wheat Economy**, by Vernon C. Fowke, University of Toronto Press, 1957. page 117

⁶ **A History of the Canadian Grain Commission: 1912 – 1987**, by J. Blanchard, Canadian Grain Commission, 1987. Page 13.

⁷ Cited in **A History of the Canadian Grain Commission: 1912 – 1987**, by J. Blanchard, page 13.

⁸ “There were corresponding shortages in lower grades and some of the surplus was no doubt due to not cleaning grain to the level of dockage required. Thus it was proven that grain was mixed to promote grades, as every western producers had suspected. The companies in question were prosecuted and fines were levied.” J. Blanchard, **A History of the Canadian Grain Commission: 1912 – 1987**, page 17

country elevators when elevator agents falsified weights. The elevator agents did this in order to protect themselves from being short in their receipts of grain. The agent would record and pay the farmer for less grain than was actually delivered, so that at the end of the year, an “overage” was created.⁹ Farmers were losing money on every bushel they sold into the country elevator as a result of the unfair dockage they were being charged, and the only way of correcting that situation was by establishing a fair and honest method of establishing weights, grades and dockage.¹⁰

Eventually, after strong pressure from western farm groups, changes were made to legislation which tended to balance out the uneven market power between grain companies and producers. “Fair weights were an important issue to western farmers during the period leading up to the passage of the Canada Grain Act in 1912. Along with grades and dockage and shortages of cars, weights continued to be an important issue at country points. At the terminal elevator, fair and equitable weighing of grain was one of a number of concerns of the organized farmers, along with mixing and the disposition of screenings.¹¹ ...In 1900, weighing became more than a commercial and business concern. After that year it was an activity to be regulated, to ensure that the farmers were getting a fair deal at the hands of the grain trade. The Manitoba Grain Act specified how weighing would be done in the country elevator and the Warehouse Commissioner was there to ensure that the rules were followed. In the terminal elevator “weighmasters” were physically present to supervise the weighing of grain into and out of the elevator. They were to issue official certificates of weight, collect fees for their services, were bonded and kept accurate records in case of disputes.”

It was widely recognized that if all scales were accurate, there would be very little problem with accurate weights, provided the operators were competent and the weights were accurately recorded. Government supervision involved, therefore, physically checking the scales and, where possible, checking the work of those doing the weighing.

The purpose of ensuring accurate weights and measures remains unchanged from the original intention specified by the Board of Grain Commissioners when the Canada Grain Act was passed in 1912. Accuracy of the measuring devices

⁹ In 1924, after discussions on this problem in front of the Turgeon Royal Commission, the Board of Grain Commissioners passed a regulation giving grain companies a “shrinkage allowance” – a percentage of all grain taken in to cover losses which occurred naturally during handling. This was aimed at curtailing the practice of cheating on weights.

¹⁰ In the early days of grain inspection in the late 1800s in western Canada, large grain companies were also able to influence weights and grades by withholding payments to inspectors. A Royal Commission in 1901 reported that “...in some fifty-two instances during the past year, in which the inspection made would not warrant the inspector in certifying the grade expected or demanded, his grading was not accepted, and no certificate was issued, and the parcels were either sold by sample, or certificates procured from some other sources, no fees being paid the inspector in any such cases, nor any surveys demanded to settle who was in the wrong. It does not seem to the commissioners proper that the trade should have it in their power to withhold the fee when the certificate is not to their liking, nor, on the other hand, should there be any incentive on the part of the inspector to cultivate business. The commissioners therefore consider that instead of by fee, the inspectors and all officers or employees connected with grain inspection should be paid by salary.”

¹¹ J. Blanchard, A History of the Canadian Grain Commission 1912 – 1987. page 47.

guarantees that both parties to the transaction will be treated equally. Without this guarantee, weaker parties in the transaction will be at risk, because the financial power wielded by very large corporations gives them a concrete advantage. Western farmers in the early part of the 20th century understood this power imbalance all too well – and the findings of many Royal Commissions confirmed both the reality of the economic power imbalance and the consequences for farmers.

Reductions in resources at Measurement Canada

The fundamental principle of marketplace equity is enshrined in the “Mission” statement of Measurement Canada, which states the agency’s objective is “to ensure equity and accuracy where goods and services are bought and sold on the basis of measurement, in order to contribute to a fair and competitive marketplace for Canadians.”

However, the reduction in resources available to Measurement Canada over the past three decades has inevitably resulted in a decline in the agency’s ability to carry out its mandate. Expediency has dictated that an increasing share of Measurement Canada’s functions are being contracted out to third-party operators as a cost-saving measure. It is appropriate at this time to review the cumulative effect of this trend over the past decade and determine its long-term effect into the future.

Market Intervention Model reflects ideological bias

Farmers have not been asking for a reduced role for the public sector. Farmers have not demanded the CGC or Measurement Canada scale back the level of service offered, or turn over responsibility to private companies. In fact, a majority of farmers are unaware that the capacity of Measurement Canada to inspect weigh scales has been reduced. The impetus for restructuring has come from government policy-makers.

For example, initial proposals by Consumer and Corporate Affairs Canada for discontinuing direct inspections of scales in elevators and replacing them with a program of monitoring and third-party accreditation were rejected by the Canadian Grain Commission in the early 1990s. But despite resistance from farmers and the CGC itself, the annual mandatory inspection of scales in all elevators licensed under the Canada Grain Act was revoked at the end of 1994. Prior to that date, Measurement Canada was mandated to test every elevator scale, with companies obliged to pay a nominal fee for the service. From 1995 onward, elevator scales were inspected on a selective or periodic basis.

At the time of those changes, it was asserted that producers’ interests would be protected by virtue of the fact that a large percentage of grain was handled by producer co-operatives. It was also suggested that overall system efficiencies and cost savings would be passed on to producers. Neither of those assumptions turned out to be valid.

At the same time as domestic changes were being made in the CGA, a number of international developments occurred that were to have significant ramifications for the role and mandate of Measurement Canada. In November 1994, Canada became a

founding member of the Asia-Pacific Legal Metrology Forum (APLMF), a 14-member body made up of countries belonging to the Asia-Pacific Economic Cooperation (APEC) region.¹² The APLMF promotes an agenda of “free and open trade in the region through the harmonization and removal of technical or administrative barriers to trade” in the field of legal metrology.

This policy reflects the ideological bias of government. There is no inherent connection between accuracy in weights and measures and the pursuit of a free trade agenda. For example, Canada is also a member of the International Organization of Legal Metrology (OIML) the umbrella body of which the APLMF is a regional affiliate. However, the mission statement does not contain any reference to pursuing free markets.

The dual mandate of both regulating industry and promoting trade is viewed by APLMF member governments as a complementary dovetailing process that promotes efficiency by streamlining and modernizing regulations. But in reality, the two functions are contradictory. **The public interest is invariably sacrificed when industry is allowed to write its own regulations and self-monitor its own operations.** The dual role begs the question: Is the role of government to facilitate the expansion of corporate markets – and corporate power – or is it to protect the public interest by setting limits on the expansion of corporate economic power?

Inherent in the dual mandate is a belief that government should step back from “interfering” in the economy and allow the “free market” to function for the benefit of all parties. This business agenda¹³ emerged in the 1980s, gained acceptance among political parties in the 1990s and has now become an article of faith among policy-makers.

These initiatives dovetailed into Measurement Canada’s “Marketplace Intervention Model” which was aimed at stepping up the level of deregulation – or “self-regulation” - by major corporate players in various sectors of the economy. As a report to the APLMF conference in 1998 noted: “In Canada, the introduction of measurement technology applications in an increasing number of trade sectors combined with reduced availability of resources to provide inspection services has left many sectors with less than optimal protection against economic loss due to inaccurate measurement. In 1998-99, Measurement Canada will begin to determine the level of intervention necessary to ensure the equitable and accurate measurement of goods and services in all trade sectors by piloting the Marketplace Intervention Model. The Model will provide an objective basis for determining the level of intervention necessary to ensure measurement accuracy and equity. The levels of intervention could range from periodically checking and confirming that existing metrological controls are adequate and appropriate to direct intervention by Measurement Canada to ensure measuring instrument accuracy and to

¹² <http://aplmf.org>

¹³ “Central to the business agenda is the notion that the private sector should be expanded and given more power, and that the public sector should be reduced and its powers trimmed. The public sector has become too big and intrusive, say the advocates of the new agenda, and now gets in the way of the efficient running of the economy, thereby destroying the health of the country.” Linda McQuaig, *The Quick and the Dead*: Brian Mulroney, Big Business and the Seduction of Canada, Penguin Books, 1992.

enforce compliance requirements. In consultation with industry, clients and consumers, Measurement Canada will begin to identify trade sectors where direct intervention is required to provide for marketplace equity and other sectors where less intervention is possible with a reasonable risk to measurement accuracy. The question of who should undertake the intervention activities (e.g. Measurement Canada, industry associations, accredited organizations, other levels of government, etc.) will be determined in sector specific negotiations between Measurement Canada and sector stakeholders.¹⁴

The response to this initiative was understandably positive from major corporations, but was not embraced by public interest advocates: “In general, **consumers have clearly expressed the need for government intervention to ensure accurate measurement.** The mandatory inspection of measuring devices on an ongoing basis (e.g. every year or two years) has been requested and consumers have accepted that these inspections be performed by private organizations provided that they are recognized and monitored by Measurement Canada. Such mandatory inspections have also been requested by commercial and industrial customers. **However, a lower level of intervention has been requested in some sectors for transactions involving large companies that have the expertise and resources to ensure accurate measurement.**”¹⁵

Trade Sector Review criteria determines outcomes

Since 1999, Measurement Canada has conducted a series of Trade Sector Reviews focusing on Electricity (2001), Downstream Petroleum (2002), Natural gas (2002), Retail Food (2003), Dairy (2003), Upstream Petroleum (2004), Retail Petroleum (2004), Water Distribution (2004), Forestry and Logging (2006), and Fish and Fish Products (2006). While the professed objective of these reviews is to “ensure equity and accuracy where goods and services are bought or sold on the basis of measurement, in order to contribute to a fair and competitive marketplace for Canadians,” the underlying ideological bias for reduced government involvement is likely to place the public interest at greater risk.¹⁶

Given the government’s emphasis on scaling back the direct role for public service inspectors, the Grain and Field Crop Trade Sector Review process has the potential to draw heavily on the recommendations of large corporations in its final report. In fact, the parameters appear to favour such an outcome: “**Levels of intervention may range from direct intervention through accredited organizations or other private sector partnering arrangements to industry self-regulation.** Measurement Canada will

¹⁴ 1998 Country Report – Canada, APLMF Forum. <http://www.aplmf.org>

¹⁵ 2006 Country Report – Canada”, 13th APLMF meeting, Singapore. <http://www.aplmf.org> “In 1999, Measurement Canada (MC) began the review of its intervention and programs through a major consultative exercise nationwide... Through the implementation of trade sector review recommendations, Measurement Canada is modifying its level of intervention, programs and requirements...”

¹⁶ This risk is acknowledged by Measurement Canada President Alan E. Johnston: “Through these reviews, Measurement Canada will identify trade sectors where direct intervention is necessary to assure the accurate measurement of goods and services and other sectors where less intervention is possible with reasonable risk to the parties involved in the measurement transaction.” Alan E. Johnston, Measurement Canada President, President’s Message, 2003. <http://strategis.ic.gc.ca/epic/site/mc-mc.nsf/en/lm01970e.html>

maintain oversight of measurement accuracy and equity through regular monitoring of the sectors to ensure the intervention levels are appropriate and operating effectively.”¹⁷

The question of “weighting” of the responses to the Grain and Field Crop Trade Sector is a concern to farmers. For example, companies such as Viterra and Cargill are among the largest grain companies in western Canada, and also two of the biggest industrial users of weighing devices in the country. They own and employ more truck scales than anyone else in Canada. Will Measurement Canada give greater credence to their submissions on this subject based on their economic position?

While the process of reducing direct public sector involvement in the grain sector began with the Canadian Grain Commission in the mid-1990s with amendments to the *Canada Grain Act*, the review which was expected in at the end of that decade did not materialize. The current Trade Sector Review must go beyond the boundaries specified in previous reviews – and give positive consideration to the possibility of expanding the role of Measurement Canada and the Canadian Grain Commission in protecting the public interest.

Monitoring less effective than direct involvement

The experience of the western Canadian farm community since the 1990s has shown that the incidence of faulty scales in primary elevators and other facilities is significant. Despite the fact that the number of primary elevators in western Canada has declined from 1455 in 1993-94 to 332 in 2006-07,¹⁸ the ability of Measurement Canada to effectively monitor these facilities has actually declined. Prior to 1994-95, Measurement Canada had 4 tandem trucks equipped to test scales – two in the Saskatoon district and 2 in the Regina district. Currently, the agency has been reduced to a single truck to cover both Saskatchewan and Manitoba, and one other truck to cover the entire province of Alberta. Clearly, a lack of resources is effectively hampering the effectiveness of Measurement Canada to monitor compliance of grain companies with respect to ensuring accurate weights as specified in the *Canada Grain Act*.

The current variance tolerance for elevator scales is currently 1 pound per thousand, or 0.1%. If Measurement Canada checks a scale and it exceeds that variance tolerance significantly (ie – a variation of over 3 pounds per thousand), the scale cannot be used until it is fixed.

Currently, compliance rates for different types of scales vary.¹⁹

Platform (dockage) scales – 87.7%

Platform (bagging) scales – 80.9%

Hopper scales – 35.5%

¹⁷ Alan E. Johnston, Measurement Canada, President’s Message, 2003 <http://strategis.ic.gc.ca/epic/site/mc-mc.nsf/en/lm01970e.html>

¹⁸ Canadian Grain Commission: Grain Elevators in Canada – Crop Year 2006-2007, as at February 27, 2007. <http://www.grainscanada.gc.ca/Pubs/GrainElevators/alltables/2007FEB.pdf>

¹⁹ Grain and Field Crop Trade Sector Review questionnaire, Measurement Canada, July, 2007

Bulk weighing systems – 62.5%

Truck scales – 69.0%

Railway track scales – 100%

While the data does not indicate the extent to which individual scales may be off – or in whose favour the variances fall - it does reveal a significant shortfall in the compliance rates of virtually all scales with the exception of railway scales. Interestingly, railway scales represent the interface between grain companies and railway companies – two parties with relatively equal strength in the marketplace. The other sets of scales represent the interface between grain companies and farmers. These rates suggest there must be more incentive for the private sector to maintain accurate scale readings, and illustrate the profound need for direct inspections by Measurement Canada in order to protect the public interest.

While it can be argued that it is in a grain company’s interest to ensure that its scales are set accurately, it is also reasonable to note that a grain company may utilize the variance tolerance to its best advantage. A grain company can be expected to check a scale regularly to ensure it is not losing money. But farmers must rely on Measurement Canada to protect their interests. **The NFU recommends that the federal government allocate appropriate funding to Measurement Canada to provide a high level of direct inspection services to ensure accurate measurements and guarantee the public interest is protected.**

While the variance tolerance may amount to a relatively small quantity for a wooden elevator with a limited capacity, the margin of error is magnified when it comes to large concrete high-throughput terminals. In the case of a high-throughput facility, the discrepancies resulting from inaccurate scales may potentially result in huge financial losses to producers. **The NFU recommends that all scales in high-throughput elevators be inspected by Measurement Canada on an annual basis at a minimum, and ideally twice a year.**²⁰

Farmers must also be compensated for losses caused by discrepancies in elevator scales. **The NFU recommends compensation be determined on a retroactive basis going back to the previous scale check by Measurement Canada.**

The *Canada Grain Act* specifies that scales in a facility must be readily visible to producers in order to ensure transparency. The CGC also informs primary elevator licensees of their obligation to “allow producers who deliver grain to verify scale weight of grain while it is being weighed.”²¹ The weight registered on the digital scale should be recorded in written form as part of the process. However, there are digital scales currently in operation in a number of primary elevators which are not connected to a printer, and the possibility therefore exists that the actual weight may not be accurately recorded. **The NFU recommends that this important provision be strengthened by requiring all**

²⁰ Inspection of scales on a twice-yearly basis at port terminals and inland government terminals was conducted by the CGC in the period between 1912-1930.

²¹ “Licensing information for licensees” Canadian Grain Commission, <http://www.grainscanada.gc.ca/Regulatory/Licensees/responsibilities-e.htm>

digital scales to be attached to a printer to guarantee an accurate recording of the weight of the grain on the truck. This principle of accurate recording of weights is well-established. In the period 1912 to 1930, grain entering the terminal facility at Fort William (Thunder Bay) was weighed on a scale attached to an automatic ticket-punching machine. In addition, a weighman employed by the grain company and a government weighman independently recorded the weight of the load of the grain car. So there were three separate records of the weight of each carload arriving at the terminal.²² During that period, at locations where there was no regular inspection of scales, such as eastern transfer elevators, there were many complaints about short weights.

Conclusion and Recommendations

The Grain and Field Crop Trade Sector Review by Measurement Canada seeks input from farmers on three questions:

1. What requirements are needed to ensure measurement accuracy?
2. What measurement-related programs are needed, and how can these programs best be provided?
3. How involved should Measurement Canada be in order to ensure measurement fairness and accuracy?²³

The paring down of Measurement Canada's internal resources over the past two decades has been used as a rationale for privatizing the agency's functions, in accordance with the prevailing ideology of reducing the public sector's role in the economy.

The evidence proves that deregulation of the grain sector has not resulted in any savings to farmers, nor has it resulted in adequate protection of the public interest.

However, Canadian farmers rely heavily on Measurement Canada to guarantee that all weigh scales and other measuring devices are calibrated accurately before they are used commercially, and also to ensure that these devices are tested and inspected at frequent intervals to guarantee their ongoing accuracy. It is, therefore, of critical importance that Measurement Canada receive sufficient funding from the federal government to ensure it is able to carry out its responsibilities at a high level.

The NFU is strongly opposed to the concept and practice of "self-regulation" by grain companies in relation to inspection and certification of weigh scales. The recent buyout of Agricore United by Saskatchewan Wheat Pool to form Viterra, combined with the ongoing growth and consolidation by Cargill, Bunge, and other large companies has resulted in a market situation where farmers' economic power is being steadily reduced. While it is acknowledged these companies have significant technical knowledge and expertise in the operation and maintenance of such devices, the business interests of these companies create a potential conflict with the interest of public, and farmers in particular.

²² J. Blanchard, A History of the Canadian Grain Commission 1912-1987. Page 49

²³ July 18, 2007, E-mail letter from Brad Pavlove, Western Region Representative, Grain and Field Crop Sector Review, to NFU Executive-Secretary Terry Pugh.

It is, therefore, critically important that the role of Measurement Canada be strengthened, not weakened.

The NFU strongly supports the ongoing role of Measurement Canada in the following areas:

1. mandatory device-type approvals;
2. mandatory calibration of measurement standards;
3. mandatory initial inspections;
4. net quantity verification of bulk and wholesale pre-packed commodities;
5. responding to complaints regarding measurement issues.

In addition to these current areas of responsibility, Measurement Canada's scope should be expanded to include:

1. mandatory annual inspections of weigh scales at country elevators;
2. mandatory annual or twice-annual inspections of weigh scales at high-throughput elevators and terminals;
3. the requirement that all CGC licensees be obliged to have their weigh scales tested annually as a requirement for the license; and that all digital scales be connected to a printer to ensure accurate recording of weights;
4. recording of non-compliance of facilities and companies; and ensuring farmers are compensated retroactively for short weights caused by faulty scales.

Alternative service providers accredited by and/or registered with Measurement Canada must be independent of grain companies that are being inspected. In those instances where alternative service providers are utilized, it is essential that such agencies and personnel be certified by Measurement Canada to an equivalent standard as Measurement Canada inspectors.

The NFU recommends that the federal government allocate appropriate funding to Measurement Canada to provide a high level of direct inspection services to ensure accurate measurements and guarantee the public interest is protected.

The NFU recommends that all scales in high-throughput elevators be inspected by Measurement Canada on an annual basis at a minimum, and ideally twice a year. This includes dockage scales, platform scales, truck scales, railway track scales, hopper scales and bulkweighers.

The NFU recommends compensation be determined on a retroactive basis going back to the previous scale check by Measurement Canada.

The NFU recommends that all digital scales be attached to a printer to guarantee an accurate recording of the weight of the grain on the truck.

The NFU recommends that regular periodic certification of scales be mandatory, rather than voluntary.

The NFU recommends that test weights used for scale inspections be calibrated annually, rather than every five years, to maintain the integrity of the inspection.

The NFU recommends that only Measurement Canada calibration be acceptable for calibration of measurement standards (test weights) which are used to inspect or certify scales.

The NFU recommends that the concept and practice of “self-regulation” by the industry be rejected by the Grain and Field Crop Sector Review.

The NFU recommends that, when an investigation by Measurement Canada reveals a violation of the Weights and Measures Act, that fines be assessed and other enforcement action taken. In a marketplace where economic power is concentrated in the hands of a small number of large companies, individual farmers are at a disadvantage and cannot negotiate from a position of equality.

The NFU recommends that Measurement Canada increase its public profile and effectiveness by boosting its visibility through:

- 1. maintaining a direct presence through random inspections and monitoring;**
- 2. improve its accessibility through phone book advertising and better links with related government websites and industry association websites;**
- 3. directly promoting Measurement Canada’s services to farmers and other Canadians.**

*All of which is respectfully submitted by
The National Farmers Union*