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***Comments on Amendments to the Canada Grain Act in Reference to Functions of the Canadian Grain Commission - Canada Gazette Part 1***

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by the National Farmers Union

The NFU welcomes the opportunity to comment on the amendments to the Canada Grain Act flowing from the elimination of inward inspection by the Canadian Grain Commission (CGC), the end of mandatory weigh overs at primary and terminal elevators, and the end of Grain Appeals Tribunal as well as other changes.

In general the NFU has expressed its opposition to these changes for a long time, and that is undiminished. In our opinion there was incredible value to the grain system, as well as producers, when the CGC conducted inward inspection and grading. CGC inspectors operated as independent graders mandated, as is the entire CGC, to act in the interests of the grain producers. Inward inspection acted as a continuous audit of grain coming into terminal position and checked the accuracy of what was shipped from the primary elevators as well as catching any problem with grain on arrival at the terminal. It has been an important part of Canada's grain quality assurance system as well. The provision of inward inspection by private service providers or by the grain companies themselves discounts and eliminates the producer interest mandate. Private service providers would see as their clients the grain companies rather than farmers. Slowly farmers will see their interests eliminated from the system as a consequence.

The elimination of weigh-overs is also a fundamental loss for grain producers, as again, the check it provided to determine if the grain companies weights and dockage were accurate fully translated into fair compensation for grain producers for their actual deliveries. This check in the system forced grain companies to accurately weigh deliveries, as excess overages that would occur from inaccurate measures would eventually be detected and corrected. This is no longer the case and farmers are likely to fall victim to the abuses they experienced in the past when grain companies faced no checks on their power.

The elimination of the Grain Appeals Tribunal is also another loss, in that it served as a body to both settle disputes on grain grades and dockage etc., but also served as an internal balance in the CGC itself. Throughout the Canada Grain Act and the CGC there was a careful construct undertaken so as to not vest or allow too much power to be concentrated in any one individual or company. The end of the tribunal represents a shift

in the thinking around power structures, as do many of these changes. Power is no longer countered by a strong institution.

We have been dismayed to see that a careful calculation has been made to place a dollar value on the cost of regulatory changes, or what is called the regulatory burden on the industry, which is defined as grain companies and grain handlers but that no equivalent calculation has been made to reflect the costs to both farmers or the economy in general by these same changes. It is also of great concern that, based on these calculations, that further reductions in “regulatory burden” are required to take place in the next 24 months to reduce costs to industry without regard to grain producers interests. This seems to be required under the prevailing interpretation of the One for One rule.

In reference to specific clauses we feel that Sec. 48 should require the weight and inspection of both foreign grain and eastern grain as it comes into and is discharged from terminal position. This is the opposite of Sec. 48 reads stating that weight and inspection is not required for these grains. We also feel that Sec. 49 should require grain for export to the United States to be weighed and inspected as well. This would help to maintain the integrity of the Canadian grain system and the Canadian brand.

In closing we have commented extensively on many of the initiatives undertaken and have written extensive briefs on issues like inward inspection in the past, always carefully explaining the value and rationale for those systems. Now we are faced with the loss of these mechanisms and as an organization, we feel grain producers and Canadians are ill served by these changes.

Respectfully submitted by the National Farmers Union.