

March 13, 2024

Doug Chorney, Chief Commissioner
Canadian Grain Commission
600-303 Main Street
Winnipeg, Manitoba
R3C 3G8

Email: doug.chorney@grainscanada.gc.ca

Dear Chief Commissioner Chorney,

On Wednesday, February 21st 2024, members of the National Farmers Union (NFU) were pleased to participate in the annual Canadian Grain Commission's (CGC) stakeholder engagement meetings. We appreciate the opportunity to converse with the Commissioners and staff of the CGC about the past year's work and plans for the coming year.

As part of the update presentation, we learned that a significant number of producers are calling for an increase in CGC oversight at licensed primary and process elevators, and that the CGC's survey in response to these producer calls did identify gaps and inconsistencies in quality control systems for protein and moisture testers. You presented two documents outlining the CGC's response in regard to protein testing and moisture testing, a *Standard for Protein Testing* and a *Standard for Moisture Testing*.

When we asked about implementation, we were surprised to hear that the CGC was not planning to make these standards compulsory for licensed primary and process elevators – but rather, these “standards” will be voluntary, and are in fact, simply guidelines.

The NFU is of the opinion that the CGC must live up to its mandate of working in the interest of grain producers, as outlined in Section 13 of the *Canadian Grain Act*: *“Subject to this Act and any directions to the Commission issued from time to time under this Act by the Governor in Council or the Minister, the Commission shall, in the interests of the grain producers, establish and maintain standards of quality for Canadian grain and regulate grain handling in Canada, to ensure a dependable commodity for domestic and export markets.”*

The origins of the CGC are outlined in *A History of the Canadian Grain Commission 1912-1987*. The CGC was created to ensure standardization and fairness through its role in testing weights, ensuring producers are paid what they are owed, and ensuring standardization of the grain trade for the benefit of producers.

The CGC was born out of concerns for the interests of the Canadian grain farmer. In the 1900s and 1910s as now, corporate concentration in the grain supply chain is an issue that jeopardizes fair access for

Strong Communities. Sound Policies. Sustainable Farms.

Des communautés solidaires et des politiques sensées pour une agriculture durable.

farmers to the grain marketplace. In the 1900s and 1910s this concentration of the grain trade power in the hands of the few led to discrepancies with impunity: in quality and grading, underweighting, and the mixing of grain to promote higher grades for the trade than were paid to the farmer in the countryside. The CGA and the CGC were established to “regulate grain handling in Canada, to ensure a dependable commodity for domestic and export markets.”

The voluntary nature of CGC’s protein and moisture standards contributes to the patchwork nature of the current environment, offering a pathway for elevators to bypass the standards. This undermines the purpose of standardization across the Canadian supply chain and undermines the CGC’s position as a regulator. Indeed, the original goal of the CGC was to counteract the patchwork system of grading and prices that was the impetus for its creation. There is no clear incentive for grain elevators to implement the protein and moisture standards, particularly the “enhanced program” for testing, absent enforcement.

The NFU believes that the voluntary nature of the proposed *Standard for Protein Testing* and *Standard for Moisture Testing* is contradictory to the CGC’s mandate. The CGC must ensure that standards are being met, not voluntarily, but as a mandatory measure to ensure that farmers are being paid fairly for their produce and labour.

The NFU therefore recommends that the CGC

- Implement at licensed primary and process elevators the proposed “enhanced program” described in the circulated documents, *Standard for Protein Testing* and *Standard for Moisture Testing* as mandatory requirements.

We look forward to a positive response to this recommendation.

Sincerely,



Jenn Pfenning,
President, National Farmers Union

CC Patty Rosher, CGC Assistant Chief Commissioner
Lonny McKague, CGC Assistant Commissioner
Hon. Lawrence MacAulay, Minister of Agriculture and Agrifood