



Canadian Grain  
Commission

Commission canadienne  
des grains

# The demand for IP systems

Canada 

# Identity preservation programs

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- Processes designed to keep crops with special traits separate from bulk-handled grain
- Price premiums for added value
  - Voluntary
  - Market driven



# Examples of IP systems

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- Food grade, non-GM soybeans
- Malting barley
- Warburtons Limited
- AC Navigator

# Why IP grains and oilseeds?

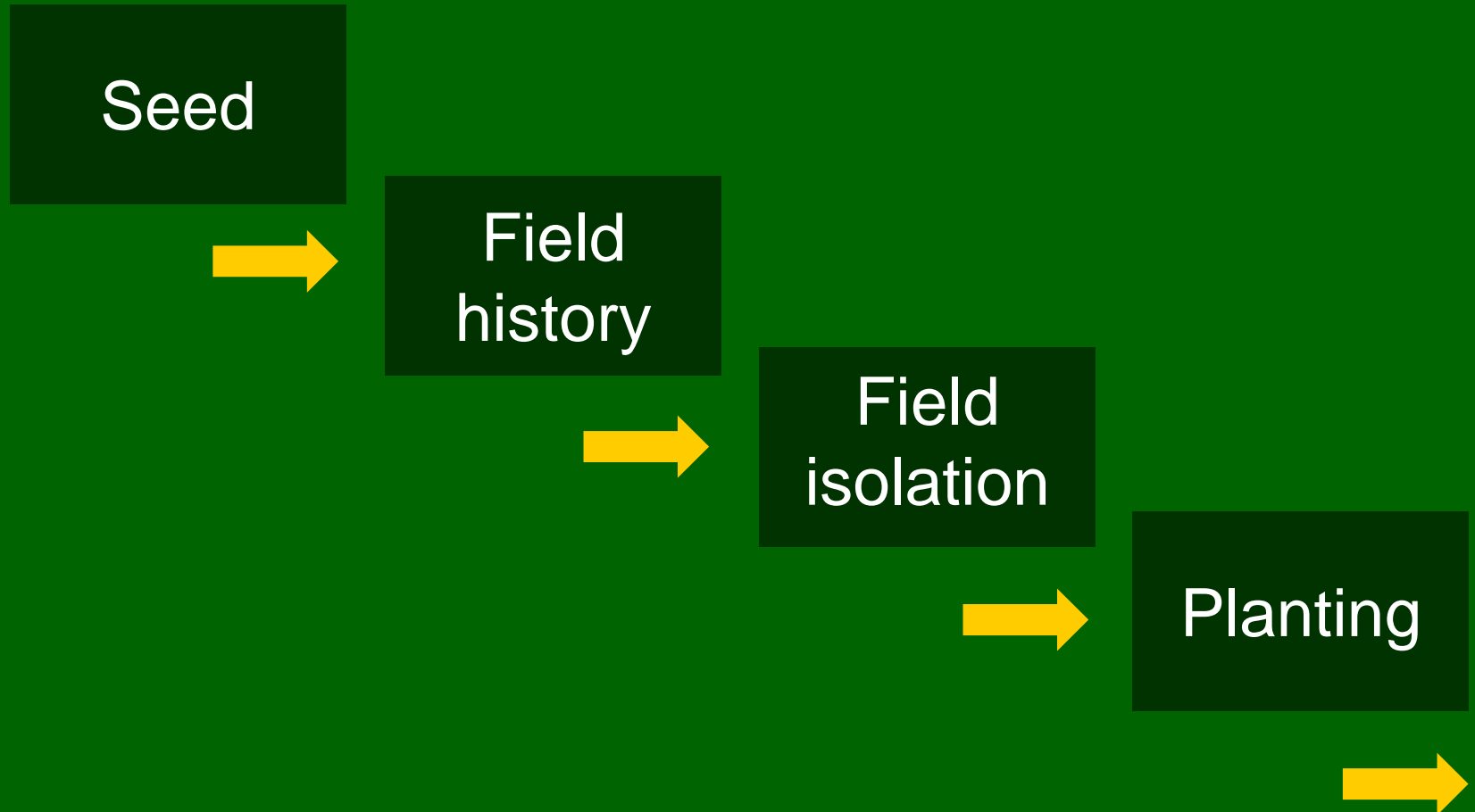
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- Increased specific quality demands from domestic and international buyers
  - Specific product characteristics
  - Assurance of GM free shipments



# Components of IP programs

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# Components of IP programs

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Harvesting



On-farm  
storage



Transportation



# Components of IP programs

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Primary  
elevators



Transportation



Terminal  
elevators



Transportation

# What IP means for farmers

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- Certified seed
- Clean equipment and machinery
- Dedicated storage
- Documentation
- Audits
- Samples kept
- Higher prices
- Added costs





# What IP means for grain handlers

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- Quality management systems
- Clean equipment
- Dedicated storage
- Documentation
- Audits
- Testing
- Higher prices
- Added costs



# Evolution of the grain industry

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- **Commodity stream**
  - Bulk, lower-valued product
  - High volumes and tight margins
  - Majority of volume now and in foreseeable future
- **Value-added stream**
  - High quality, high value products
  - Tightly linked supply chain
  - Each player extracts some value



# CGC role

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Work to address issues in both streams:

- Commodity
  - Variety Eligibility Declaration - responding to the pressures on KVD
- Value-added
  - Canadian IP Recognition System - responding to the demand for 3<sup>rd</sup> party assurance of IP processes

# CGC role

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- IP recognition is an extension of CGC market support role
  - Certificate Final
  - Certification of IP
- Enhance marketability

# Canadian IP Recognition System

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## Components:

- CGC quality management system standard for IP programs (ISO based)
- Audits
- Certification
- Voluntary



# CGC/CSI partnership

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## CGC

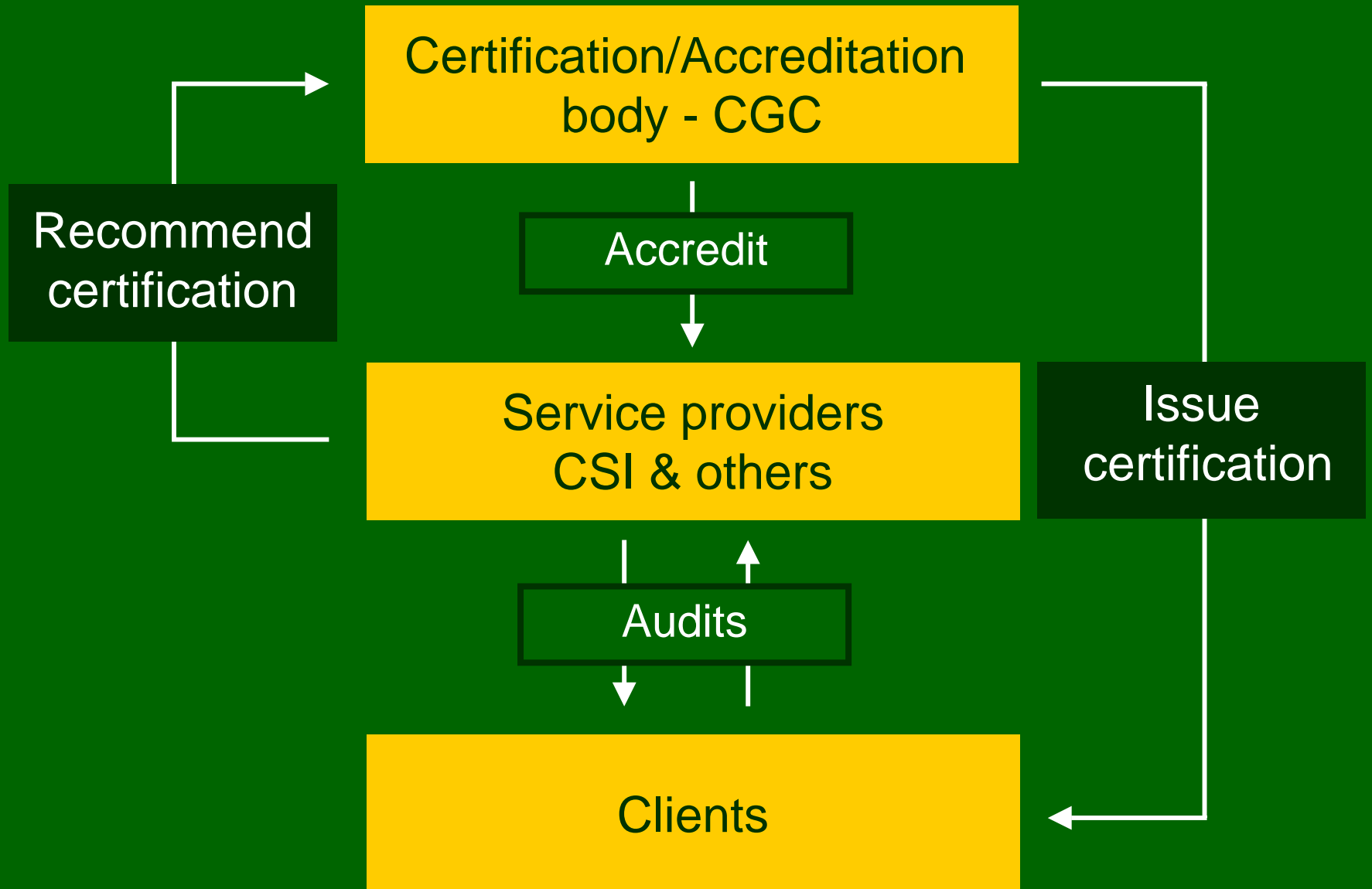
- Credible and trusted in grain industry
- International reputation
- Mandate for grain quality certification

## CSI

- Standard development
- Conformity assessment
- Service delivery through accreditation system

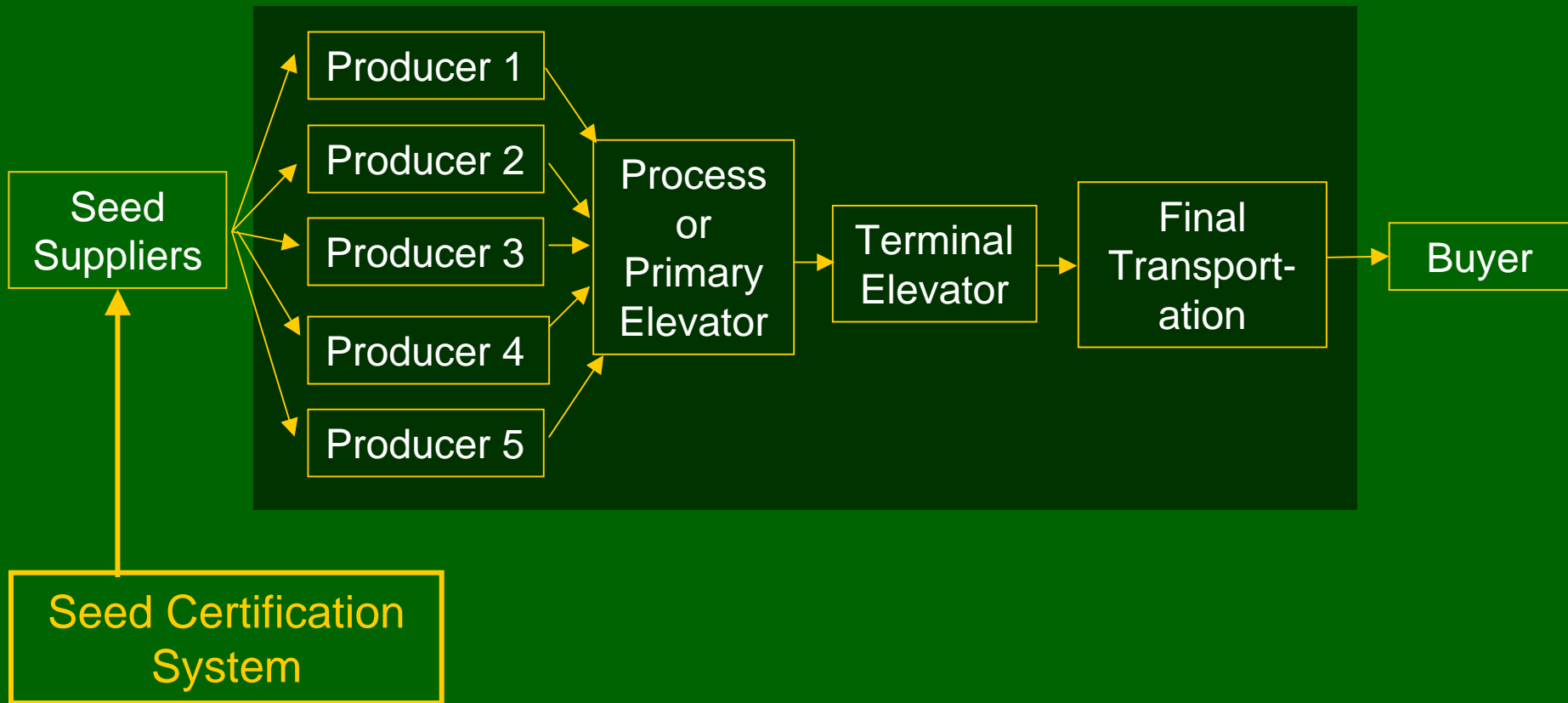
# Service delivery model

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# Canadian IP Recognition System

IP Program





# System development

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- CGC quality management system standard (QMS) for IP programs
- Accreditation program development
  - QMS standard for service bodies
  - Training and assessment of auditors
  - Auditing the auditors' protocols
  - Audit protocols for IP programs



# System development (cont.)

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- IP Recognition program development
  - Pilot study (completed)
  - Quality manual template
  - Technical review process
- Promotion of Canadian IP Recognition System
  - Brochure
  - Travel to Japan and EU
  - Meetings with industry groups



# Pilot study

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## Objectives:

- Existing IP programs vs CGC IP standard
- Industry feedback on IP standard, audit protocols and templates
- Industry feedback on costs and constraints
- Assess time and resources to conduct audits
- Ensure that IP standard is applicable to all crop kinds

# Timelines

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- Pilot project completed – March 2003
- Revise IP standard and audit protocol – April 2003
- Promotional trips to UK, Europe and Japan – March 2003
- Staff new unit to run IP recognition and accreditation program – April 2003
- Implementation of IP Recognition System – June 2003



# Participation by Warburtons Limited

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- Confirmed
- To enhance brand image
- To add “stamp of authenticity” to the company’s IP system



# Goals of Canadian IP Recognition System

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- Official recognition of IP programs
- Extend Canada's reputation for reliable, high quality grains to the value-added stream
- Provide a “measuring stick” to brand Canadian IP programs





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