The Canadian Grain Identity Preserved Recognition System

Canada

Canadian Grain Commission / Commission canadienne des grains

Canadian Seed Institute / Institut canadien des semences

Canadian Soybean Export Association

A Canadian Tradition

Supplying the world with safe, high quality grain

Canada has maintained an enviable reputation for supplying domestic and world markets with safe, high quality grain, oilseeds and pulses. Underlying that reputation is Canada's use of varieties that produce superior food products and a regulatory system by which quality and safety are assured on a consistent basis. Since passing the *Canada Grain Act* in 1912, Canada has had a quality assurance system administered by a regulatory agency, the Canadian Grain Commission (CGC). Through quality and safety testing procedures, the CGC assures the quality of grains and issues the globally recognized Certificate Final.

A world-class seed system

Canada's seed certification system is also recognized and respected around the globe because it ensures that seed is free from weeds and other crop kinds, and provides an audit trail that guarantees varietal identity. This system has contributed Canada's reputation for high quality grain, and will contribute even more as the industry evolves to meet the more demanding requirements of the world's grain markets.

The Canadian Seed Institute (CSI) is a not-for-profit organization established by Canadian seed associations to ensure delivery of consistent, cost effective monitoring and quality assurance programs for the Canadian seed industry. The CSI provides national accreditation services to the industry, establishing the foundation of the Canadian quality assurance system for seed certification.

The CGC/CSI partnership

The Canadian Identity Preserved Recognition System is a joint project of the CSI and the CGC. This partnership brings together the expertise of the CSI in standards development and conformity assessment, and the international reputation of the CGC as a credible and trusted organization with a mandate for grain quality certification.

Federal government sponsorship

The development of the Canadian Identity Preserved Recognition System is supported by Agriculture and Agri-Food Canada under the Canadian Adaptation and Rural Development Fund and the Agri-Food Trade Program.

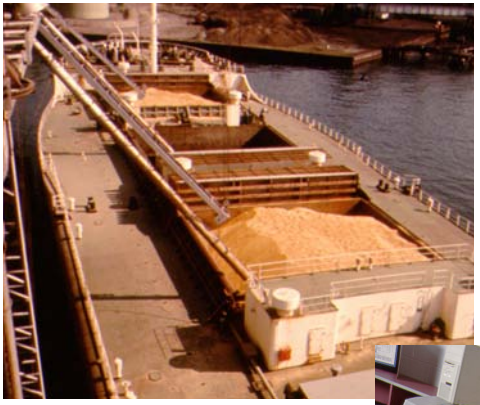
The project is contributing to the Food Safety and Quality element of the Agricultural Policy Framework, a federal-provincial-territorial initiative designed to place Canada as the leader in food safety, innovation and environmentally responsible production.

There is a growing market demand for the development of quality assurance systems to help industry secure new markets for agricultural products. Although industry must take the lead in implementing these systems, the government can help maximize their acceptance in global markets through oversight and official recognition of these programs. The Canadian IP Recognition System is a new tool for the industry to provide assurance of specific quality attributes to domestic and international buyers.

Canada is Responding to Market Demands

The Canadian IP Recognition System meets changing food processor and consumer demands

Food quality and safety issues are increasingly important as consumers demand to know where and how their food is produced. Today, food processors are seeking more information about the origin of ingredients in their products; they have increasingly more specific quality needs and need documentation



to allow for accurate labeling. Grain producers are also meeting the challenge of a demanding marketplace as they continue to seek ways to differentiate and add value to the products they produce.

The Canadian grain industry has responded to these needs by developing "Identity Preserved" (IP) programs and processes. These programs are designed to keep lots of grains, oilseeds or pulses with special qualities separate from the bulk commodity throughout the supply chain.

Delivering enhanced product assurance

The Canadian IP Recognition System is intended to provide buyers of specialized grains and oilseeds with an enhanced level of assurance that products from Canadian suppliers will meet their specific needs.

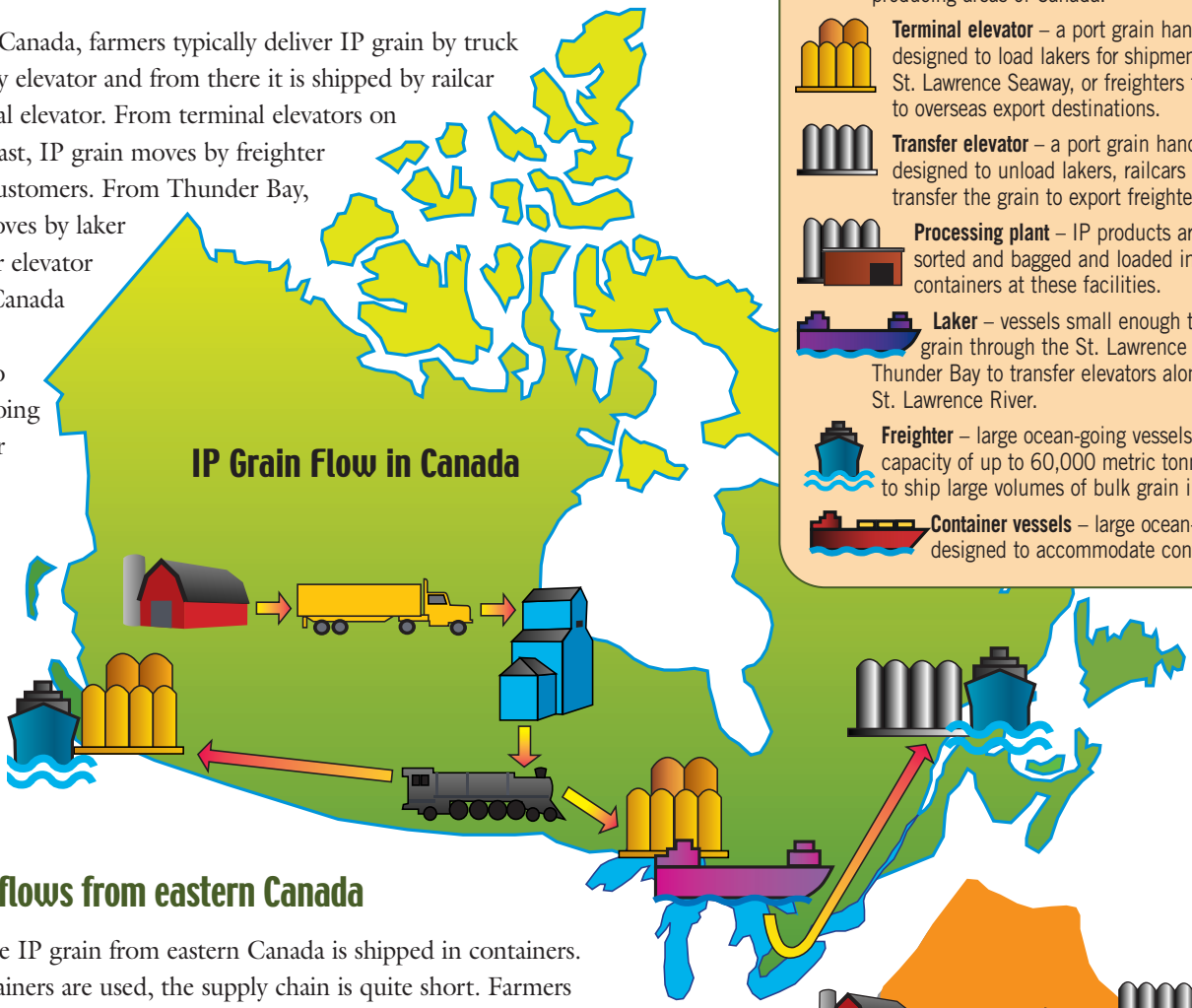
Carefully managing all stages of production

In Canada, IP means the handling of specialized grains at every stage of production and distribution to avoid commingling with the bulk commodity. Specialized grains may be a specific variety, non-GM varieties, or grains produced using special methods such as pesticide free production. IP always starts with the seed, but end points vary depending on destination and distribution method. When the IP product is shipped in a container, IP is complete when containers are sealed. When the IP product is shipped overseas in bulk, the process is complete when the product is in the hold of a freighter ship. IP programs serving Canadian processors' needs end when the product is received at the plant.

From Farm Fields to World Markets

IP grain flows from western Canada

In western Canada, farmers typically deliver IP grain by truck to a country elevator and from there it is shipped by railcar to a terminal elevator. From terminal elevators on the west coast, IP grain moves by freighter to export customers. From Thunder Bay, IP grain moves by laker to a transfer elevator in eastern Canada where it is loaded onto an ocean-going freighter for export.



Key Distribution Points For Canadian Grain

Country elevator – the primary collection point to which farmers deliver their crops. There are many country elevators throughout the crop producing areas of Canada.

Terminal elevator – a port grain handling facility designed to load lakers for shipment through the St. Lawrence Seaway, or freighters for shipment to overseas export destinations.

Transfer elevator – a port grain handling facility designed to unload lakers, railcars or trucks and transfer the grain to export freighters.

Processing plant – IP products are cleaned, sorted and bagged and loaded into containers at these facilities.

Laker – vessels small enough to transport grain through the St. Lawrence Seaway from Thunder Bay to transfer elevators along the St. Lawrence River.

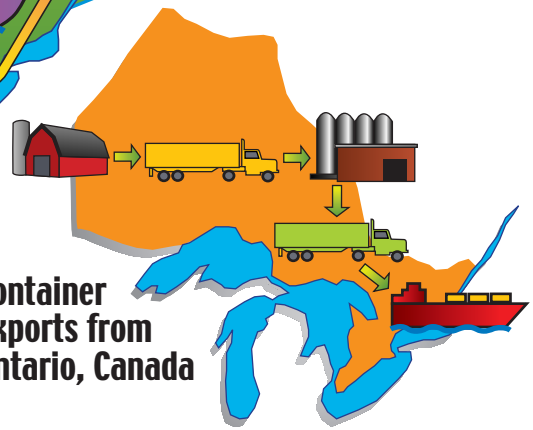
Freighter – large ocean-going vessels with a total capacity of up to 60,000 metric tonnes, designed to ship large volumes of bulk grain in holds.

Container vessels – large ocean-going vessels designed to accommodate containers.

IP grain flows from eastern Canada

Much of the IP grain from eastern Canada is shipped in containers. When containers are used, the supply chain is quite short. Farmers typically deliver their crop to a plant where it is processed and loaded into containers. From there they are trucked to port container facilities where they are loaded onto container ships.

IP grain also moves in bulk in eastern Canada. Farmers deliver grain by truck to country elevators where it is shipped by truck to a transfer elevator for loading on to a freighter for export.



The Canadian IP Recognition System – How it Works

The Canadian IP Recognition System requires that companies selling products through IP programs have effective quality management systems for the production, handling and transportation of specialized grain products. These systems maintain and provide full documentation and traceability from seed to export vessel or domestic end-user.

Program components

1. The Quality Management System Standard for IP Programs – sets out what the IP program must do, focusing on the need to identify and meet customer requirements.
2. Conformity assessment – audits are conducted on IP programs to ensure that the standard is being met.
3. Certificate of Recognition – the buyer's assurance that the IP process is operating as it should and that it meets the CGC standard.

The CGC Standard for IP Programs is a national Canadian standard that can be applied to all crop types distributed through any Canadian supply chain. It provides the measuring stick against which IP programs can be assessed. If the IP program measures up, it will be recognized by the CGC with an official certificate. This CGC Certificate of Recognition brands Canadian IP programs that can deliver on what they promise.

Service delivery

The Canadian IP Recognition System is delivered through accredited service providers such as the Canadian Seed Institute (CSI). CSI and others provide the auditing services, prepare audit reports and decide whether or not to recommend that the CGC officially recognize the IP program as meeting the standard. The CGC then reviews the audit report and recommendation and decides whether the program should be certified.

Crop specific standards

Some commodity organizations have developed crop specific IP standards with additional controls along the supply chain to satisfy the needs of their markets. One example is the Canadian Soybean Exporters' Association's Identity Preservation Standard.

I.P. IDENTITY PRESERVED
CANADIAN SOYBEAN EXPORT ASSOCIATION

Just as the Canadian IP Recognition System provides added assurance that individual IP programs can deliver on what they promise, verification against a crop specific IP standard provides assurance that the additional controls are in place. This dual recognition provides further branding of the Canadian product in international markets. The service delivery model will also apply to these crop specific standards, keeping auditing costs to a minimum.

Certificate assures quality

The CGC's Certificate Final is issued after samples taken as an ocean-going vessel is loaded have been officially inspected. The Certificate Final provides buyers with an added level of assurance that the shipment will meet their quality expectations.

In the same way, the CGC's certification of IP processes will provide buyers an added level of assurance that IP shipments will meet their specialized quality requirements.

Program Quality Management System and Audit Procedures

EXAMPLE IP PROGRAM

Stage of Production/ Distribution	Control Points	Quality System Requirements	Audit Procedures
All Stages	IP Quality Manual	◆ Up to date version ◆ Defined personnel responsibilities & authorities ◆ Personnel training plans ◆ Defined product quality requirements as specified by customer ◆ Defined variety purity or GM testing methods and sensitivity ◆ Location of testing in supply chain identified ◆ Crop production and handling plans ◆ IP product handling plan ◆ Transportation plan ◆ Non-conforming product plan	Review of manual, ensuring that the testing, production, handling and transportation plans are consistent with the quality requirements of the standard
Crop Production & Handling	Personnel	◆ Farmer contracts	Review of contracts
	Seed	◆ Use of seed specified in the production plan, either seed stock traceable to grower or certified seed.	Review of: ◆ Seed purchase invoices ◆ Certified seed tags
	Planting	◆ Isolation distance from adjacent fields and previous land use consistent with crop production plan ◆ Planters and seed drills are cleaned before planting new crop ◆ Traceability from seed to field	Review of farmer records, for example: ◆ Field maps ◆ Field history records ◆ Planting equipment clean out records ◆ Planting records
	Production	◆ Weed, insect and disease control consistent with crop production plan ◆ Field inspections during growing season	Review of: ◆ Input records ◆ Field inspection reports
	Harvesting & On-Farm Storage	◆ Combines and trailers cleaned before harvesting ◆ Storage bins cleaned before harvesting ◆ Equipment used to load and unload storage bins cleaned before using ◆ Any contaminated crop will be disposed of as indicated in crop production plan ◆ Traceability from field to storage bin ◆ Traceability from storage bin to mode of transport	Review of: ◆ Equipment and bin clean out records ◆ Bin maps ◆ Disposal of non-conforming product records ◆ Storage records ◆ Shipping records
Transportation	Farm to Receiving Elevator or Processor	◆ Defined processes for cleaning & inspection of mode of transport ◆ Mode of transport cleaned before use	Review of: ◆ Bills of lading ◆ Documented cleaning procedures ◆ Cleaning & inspection records

Stage of Production/ Distribution	Control Points	Quality System Requirements	Audit Procedures
Grain Handling	Personnel	◆ Defined processes ◆ Assigned responsibilities & authorities ◆ Competent staff	Review of: ◆ Quality manual & documented procedures ◆ Training records On-site audit of: ◆ Processes ◆ Staff understanding of processes & responsibilities
	Receiving	◆ Defined processes for cleaning & flushing facility before receipt of IP product ◆ Sample taken, stored & information on source recorded ◆ Testing for conformance to required quality attributes ◆ Defined process for non-conforming product	Review of: ◆ Documented cleaning & flushing procedures ◆ Documented procedures for handling of non-conforming product On-site audit of: ◆ Sample storage & records ◆ Bills of lading ◆ Scale tickets ◆ Receiving processes
	Handling	◆ All movements of IP product through facility are recorded ◆ Traceability from mode of transport to storage bin	Review of: ◆ Product movement records ◆ Storage records
	Storage	◆ Storage bins cleaned before used for IP product ◆ Stored IP product periodically checked to ensure continued conformity to quality requirements ◆ Storage bins meet all physical requirements necessary to maintain quality of IP product ◆ Packaging is clean and consistent with IP product handling plan ◆ Defined process for non-conforming product	Review of: ◆ Bin cleaning records ◆ Quality check records ◆ Documented procedures for handling of non-conforming product On-site inspection of: ◆ Storage bins ◆ Packaging
	Shipping	◆ Defined processes for cleaning & inspection of mode of transport ◆ Mode of transport cleaned before use ◆ Traceability from storage bin to mode of transport	Review of: ◆ Documented cleaning procedures ◆ Cleaning & inspection records ◆ Shipping records

Funded by Agriculture and Agri-Food Canada under the Canadian Adaptation and Rural Development Fund and the Agri-Food Trade Program.

Agriculture and Agri-Food Canada | Agriculture et Agroalimentaire Canada

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