



Canadian Grain Commission  
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# **Canadian Grain Commission**

**2006-2007**

**Report on Plans and Priorities**

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The Honourable Chuck Strahl  
Minister, Agriculture and Agri-Food

**Canada**

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## **SECTION I – OVERVIEW**

## Minister's Message

Welcome to the Canadian Grain Commission's *Report on Plans and Priorities 2006-07*. The report details how the Canadian Grain Commission (CGC) intends to use its resources to carry out its responsibilities to protect grain producers' interests and to ensure a dependable commodity for Canada's international and domestic markets. The report also sets the standards by which the CGC's performance in meeting its objectives can be assessed.

Canada is known around the world for the quality, consistency, reliability and safety of its grain and grain products. This is a key factor in permitting Canadian exporters to market successfully in competitive international grain markets. In addition, an effective quality assurance system is essential for producers in order to realize maximum value from their grain in the face of the current challenging economic environment.

The CGC has a long-term commitment to building and maintaining a strong quality assurance system for the Canadian grain industry from producers to customers. In order to do this, the CGC must not only respond to historical challenges facing the grain quality assurance system, but also must anticipate and respond to significant technological advancements and other changes in the grain industry. Accordingly, CGC operations directly support Canada's efforts to brand Canadian agriculture as a leader in food safety and quality, science and innovation, and business risk management.

Bill C-40, *An Act to Amend the Canada Grain Act and the Canada Transportation Act*, came into force on August 1, 2005, requiring an independent and comprehensive review of the CGC and the provisions and operation of the *Canada Grain Act*. This review is part of an integrated strategic approach to the future of the Canadian grains sector for long-term success. It will provide guidance as to how the CGC can effectively add more value to Canadian producers and the grain industry in general.

The *Report on Plans and Priorities* highlights the CGC's plans to continue to provide an effective grain quality assurance system that enhances the marketing of Canadian grain in the interests of producers.

The Honourable Chuck Strahl  
Minister, Agriculture and Agri-Food

## Chief Commissioner's Message

Welcome to the Canadian Grain Commission's (CGC) *Report on Plans and Priorities* for the fiscal year 2006-07.

The CGC is the federal agency responsible for setting standards of quality and regulating Canada's grain handling system. Our vision is to be a leader in delivering excellence and innovation in grain quality and quantity assurance, research, and producer protection.

The quality assurance program delivered by the CGC assures consistent and reliable grain quality that meets the needs of international and domestic markets. The CGC is continually building on the grain quality assurance system to maintain market competitiveness and Canada's reputation as a consistent supplier of quality grain. The CGC is working alongside the Minister of Agriculture and Agri-Food's (AAFC) portfolio partners and the grain industry to add value to Canadian producers and Canada's grain quality assurance system.

Today, competitive markets and international standards and legislation are increasing demands for both grain quality and grain safety assurances. The CGC continues to deliver its mandated and regulatory responsibilities while re-allocating resources to new and emerging issues, but has faced significant funding pressures in recent years. The organization looks forward to the recommendations that will result from the independent and comprehensive review of the CGC and the *Canada Grain Act* that will take place in the coming year.

This report outlines the CGC's plans and priorities for the fiscal year 2006-07. I am confident that our strategies will improve the grain quality assurance system and help achieve maximum value for producers and Canadians overall.



Chris Hamblin  
Chief Commissioner

## Management Representation Statement

I submit for tabling in Parliament, the 2006-07 *Report on Plans and Priorities* (RPP) for the Canadian Grain Commission.

This document has been prepared based on the reporting principles contained in the *Guide for the Preparation of Part III of the 2006-2007 Estimates: Reports on Plans and Priorities and Departmental Performance Reports*:

- It adheres to the specific reporting requirements outlined in the Treasury Board Secretariat (TBS);
- It is based on the department's approved Program Activity Architecture structure as reflected in its Management, Resources, and Results Structure;
- It presents consistent, comprehensive, balanced and accurate information;
- It provides a basis of accountability for the results achieved with the resources and authorities entrusted to it; and
- It reports finances based on approved planned spending numbers from the TBS in the RPP.



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Gordon Miles  
Chief Operating Officer

## Program Activity Architecture (PAA) Crosswalk

The following table provides a crosswalk to demonstrate the changes in CGC reporting structure as these apply to our strategic outcomes and *Report on Plans and Priorities* commitments used for previous 2005-06 reporting.

2006-2007					
	Program Activity 1	Program Activity 2	Program Activity 3	Program Activity 4	Total
<b>Financial Information \$(000's)</b>	Deliver inspection and testing services	Deliver weighing services	Conduct research to understand and measure grain quality	Protect producers' rights	
<b>Strategic Outcome 1</b>					
A grain quality assurance system that addresses the changing requirements of domestic and international grain markets	49,363				49,363
<b>Strategic Outcome 2</b>					
A grain quantity assurance system that addresses the changing needs of the grain industry		15,996			15,996
<b>Strategic Outcome 3</b>					
Research and development on grain quality that enhances the marketability of Canadian grain			9,171		9,171
<b>Strategic Outcome 4</b>					
Producers' rights are supported to ensure fair treatment within the grain handling system				2,208	2,208
<b>Total</b>	49,363	15,996	9,171	2,208	76,738

## Summary Information

<b>Reason for existence:</b>
<b>Mandate</b> The CGC administers the provisions of the <i>Canada Grain Act</i> . The CGC's mandate as set out in this Act is to, in the interests of 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.
<b>Vision</b> The CGC vision is to be "A leader in delivering excellence and innovation in grain quality and quantity assurance, research, and producer protection."
<b>Department Description and Accountability</b> The Honourable Chuck Strahl, Minister of Agriculture and Agri-Food is the Minister responsible for the CGC. The CGC is headed by a Chief Commissioner, an Assistant Chief Commissioner, and a Commissioner who are all appointed by the Governor in Council. The Chief Commissioner reports to the Minister. The Chief Operating Officer reports to the Chief Commissioner and co-ordinates the activities of the CGC's operating divisions.  The CGC is organized into the Executive, Corporate Services, Grain Research Laboratory (GRL), Industry Services, and Finance divisions. Its head office is located in Winnipeg, Manitoba. Industry Services comprises five regions: Bayport, Eastern, Pacific, Prairie and Thunder Bay. As of March 31, 2005, the CGC employed 621 full-time equivalents and operated 20 offices across Canada.  The CGC may have up to six Assistant Commissioners for the main grain producing areas of Canada, also appointed by the Governor in Council. At present, the CGC has five Assistant Commissioners. The Assistant Commissioners deal with producer and grain industry complaints and inquiries, and publicize the activities of the CGC at the farm level. Section III provides further detail on the CGC's organizational structure.  The CGC enhances grain marketing in producers' interest through the inspection, weighing, research and producer support programs and services identified in the strategic outcomes in Section II. The uniform provision of these programs results in equitable grain transactions and consistent and reliable grain shipments. Funding for CGC programs and activities is primarily through a combination of revolving fund and appropriation sources.
<b>Departmental Priorities</b> <ol style="list-style-type: none"><li>1. Ongoing delivery of the CGC mandate under the <i>CGA</i> in a climate of constantly changing international and domestic markets, technological advancements, and evolving end-user needs and preferences.</li><li>2. Positioning the Canadian grain quality assurance system (GQAS) to remain relevant and to support the continued competitiveness of Canadian grains in both domestic and international markets.</li><li>3. Licensing Compliance.</li><li>4. Sustainable CGC funding mechanism.</li></ol>



**Financial Resources (\$ thousands)**

<b>2006-2007</b>	<b>2007-2008</b>	<b>2008-2009</b>
\$76 738	\$46 557	\$46 557

**Human Resources**

<b>2006-2007</b>	<b>2007-2008</b>	<b>2008-2009</b>
712	432	432

**Departmental Priorities**

	<b>Type</b>	<b>Planned Spending (\$ thousands)</b>			
		<b>2006-2007</b>	<b>2007-2008</b>	<b>2008-2009</b>	
<b>Strategic Outcome 1: A grain quality assurance system that addresses the changing requirements of domestic and international grain markets</b>					
<b>Priority #1</b>	Ongoing	<b>Key Program/Service:</b> 1. Deliver inspection and testing services for the quality assurance system 2. Provide scientific and technical support	39 809	25 186	25 186
			4 927	3 117	3 117
<b>Priority #2</b>	Ongoing	3. Modify the system to meet changing requirements	4 627	2 928	2 928
<b>Priority #4*</b>	New	All key programs/services	56	56	56
<b>Strategic Outcome 2: A grain quantity assurance system that addresses the changing needs of the grain industry</b>					
<b>Priority #1</b>	Ongoing	<b>Key Program/Service:</b> 1. Deliver weighing services for the quantity assurance system 2. Technical support of the quantity assurance system	15 007	8 722	8 722
			742	431	431
<b>Priority #2</b>	Ongoing	2. Technical support of the quantity assurance system	247	144	144
<b>Priority #4*</b>	New	All key programs/services	56	56	56

<b>Strategic Outcome 3: Research and development on grain quality that enhances the marketability of Canadian grain</b>					
<b>Priority #1</b>	Ongoing	<b>Key Program/Service:</b> 3. Research new grain standards	458	208	208
<b>Priority #2</b>	Ongoing	1. Research methods to measure grain quality	4127	1870	1870
		2. Research new quality factors	4127	1870	1870
		3. Research new grain standards	459	208	208
<b>Priority #4*</b>	New	All key programs/services	56	56	56
<b>Strategic Outcome 4: Producers' rights are supported to ensure fair treatment within the grain handling industry</b>					
<b>Priority #1</b>	Ongoing	<b>Key Program/Service:</b> 1. Administer the licensing and financial security system	528	447	447
		2. Manage the allocation of railcars for individual requests	164	140	140
		3. Fair treatment of producers by grains companies and dealers	417	354	354
		4. Provision of grain quality information to producers	155	131	131
<b>Priority #3</b>	Ongoing	1. Administer the licensing and financial security system	528	447	447
		3. Fair treatment of producers by grains companies and dealers	416	353	353
<b>Priority #4*</b>	New	All key programs/services	56	56	56

\*Priority #4 has been identified for information purposes only. These costs are already included within each strategic outcome.

## Departmental Plans and Priorities

The Canadian grain industry operates in a climate of constant change stemming from shifting international and domestic markets, technological advancements, and evolving end-user needs and preferences. Canada's quality assurance system must be able to adapt to keep pace with the evolution of the global grain industry. This is particularly important considering Canada exported more than \$26 billion dollars worth of agriculture and agri-food products in 2004. About 37% of these exports were grains, oilseeds and related products with an estimated value of \$9.8 billion.

The departmental plans and priorities of the CGC delineate its response to the continual changes in the grain industry and are directed at meeting the sector's current needs. The following section outlines the major priorities of the CGC during the planning period. It should be noted that while some of the priorities have very significant potential to impact on the capacity of the CGC to carry out its mandate, the resource commitments are based on the maintenance of ongoing CGC operations.

These departmental priorities are critical to making significant progress towards the realization of the CGC's strategic outcomes and are focused on, and committed to, delivering excellence and innovation in grain quality and quantity assurance, innovative research, and producer protection. The relationships between CGC priorities, strategic outcomes, and program activities are further detailed in Section II.

**Priority #1 : Ongoing delivery of the CGC mandate under the CGA in a climate of constantly changing international and domestic markets, technological advancements, and evolving end-user needs and preferences.**

The CGC will continue to fulfil its mandate through the operation of a national Grain Quality Assurance System (GQAS). This entails effective inspection, weighing, monitoring, and grain sanitation programs to ensure grain exports are uniform and consistent with regard to intrinsic quality and grain safety assurance, while at the same time ensuring fair grain transactions. In addition, the CGC's research and development on grain quality will continue in order to enhance the marketability of Canadian grain.

The first priority of the CGC is to continue consistent daily delivery of programs and services within each of its organizational divisions that support the CGC's strategic outcomes and program activities:

**a. Industry Services:**

- Inspection Services – outward and inward, reinspection and quality control, quality assurance standards, analytical services, dispute resolution services, certification and accreditation
- Weighing Services – outward and inward, dispute resolution
- Registration and cancellation processes

**b. Grain Research Laboratory (GRL):**

- Cereals, oilseeds and pulse research
- Grain safety assurance – monitoring and research
- Objective grading method development
- Variety identification – monitoring and research
- Quality monitoring and assurance
- Adventitious presence and GM detection

**c. Corporate Services:**

- Communication services
- Information services
- Administration
- Policy, planning, and producer protection
- Statistical services
- Health and safety services

**d. Finance Division:**

- Accounts payable and receivable
- Budgeting
- Costing and cost recovery
- Internal audit
- Procurement

**Priority #2: Positioning the Canadian GQAS to Remain Relevant and to Support the Continued Competitiveness of Canadian grains in both Domestic and International Markets.**

Canada's robust GQAS has permitted Canadian grain to be "branded" internationally for many years, providing Canada with a competitive advantage in the global grain market. However, the sensitivities of international grain buyers are increasing and generating more and more specific end-use and certification requirements. As such, the CGC has recognized the importance of continuing to evolve and refine the Canadian GQAS to remain relevant and competitive in both the domestic and international marketplaces.

The CGC is continually developing and implementing many programs, initiatives, and new research methods and processes aimed at strengthening the Canadian GQAS.

Currently, Canada's kernel visual distinguishability (KVD) requirement for wheat allows quick and cost effective segregation of wheat into quality classes based on visual distinguishability. While KVD has provided Canadian wheat growers a competitive quality advantage, there are compelling reasons to move away from wheat segregation based solely on KVD. These include:

- Increasing demands for new varieties with different agronomic, disease resistance and end-use qualities to meet human (food), livestock (feed) and industrial (e.g., ethanol) needs. Presently, KVD is an additional criterion that plant breeders must incorporate into the development of new varieties.
- Nonregistered, visually indistinguishable varieties have the potential to compromise the quality of Canadian wheat shipments and the entire assurance system if they are misrepresented as a registered variety or accidentally enter the bulk handling system. They can cause significant financial losses for grain handling companies and marketers and pose a particular concern for western Canada's premier milling wheats: Canada Western Red Spring (CWRS) and Canada Western Amber Durum (CWAD).
- Buyers of Canadian grains are becoming more quality conscious and increasingly sophisticated. They are asking for a wider range of quality types. In order to enhance the traditional visual grading system, it is necessary to develop faster, more flexible and more precise instrumental methods to analyze intrinsic quality characteristics and to certify grain quality and safety.
- Visually indistinguishable grains developed for non-milling uses, such as animal feed, pharmaceutical, fuel and industrial purposes, will require effective instrumental tools to analyze quality parameters and certify quality and safety. Effective segregation of these grains from the food supply is essential to maintain the overall value of the quality assurance system.

There are also pressures to address KVD issues outside of cereal grains. There has been a push to develop yellow seeded (high linolenic) flax for the rapidly growing food flax industry although the yellow seeded characteristic was reserved for low linolenic solin. In addition, the development of canola quality *Brassica juncea* lines has created a serious KVD issue between canola and condiment mustard types as the quality characteristic differences between the two are mutually exclusive. The CGC will continue to develop rapid methods and systems that can assist in the identification of varieties of different quality types.

The various CGC programs, initiatives, research methods and processes aimed at supporting accomplishing this priority are described below:

### **Wheat Quality Assurance Strategy (WQAS)**

To address the challenges of visually indistinguishable nonregistered wheat varieties and the constraints that KVD imposes on the development and handling of non-milling wheats, the CGC will continue to develop and implement the integrated WQAS program that was initiated in December 2003. For further information on this program refer to [http://grainscanada.gc.ca/newsroom/news\\_releases/2003/2003-12-19-e.htm](http://grainscanada.gc.ca/newsroom/news_releases/2003/2003-12-19-e.htm).

This strategy is composed of three elements:

*1. Increased monitoring of railcar and vessel shipments for nonregistered wheat varieties*

To address growing sectoral concerns, the CGC has increased its monitoring of grain shipments throughout the licensed handling system. Currently, the CGC coordinates an extensive cargo monitoring program to support its certification processes, which includes the use of electrophoresis and high-performance liquid chromatography technology (HPLC) to monitor for nonregistered varieties and select ineligible varieties. This monitoring program provides the industry with information to help them better manage the handling system and requires that elevator operators exercise their own due diligence.

During the planning period, the CGC will continue with its increased monitoring of railcar and vessel shipments for the presence and source of nonregistered wheat varieties to support the CGC certification processes and ultimately maintain end-use processing quality and customer perceptions of Canadian grain.

*2. Development of rapid affordable variety identification (VID ) technology*

Variety identification, combined with objective testing, will underpin the future of the Canadian GQAS and sustain Canada's position as an international grain competitor.

In order to support grain grading and inspection, to monitor the variety composition of export shipments, and to provide assurances for variety-specific shipments of wheat and barley, the CGC has developed and continues to develop non-visual methods for VID. Knowing the variety composition of a shipment is a practical alternative for classifying grains into end-use classes. Development of this technology will help meet the needs of marketers and producers.

Currently, the CGC performs protein electrophoresis and DNA fingerprinting on individual kernels of grain. Many kernels must be analysed to determine the variety composition of a sample. The long-term goal is to develop a DNA-based method that will determine the variety composition of a ground sample of grain rather than multiple individual kernels. The aim is to provide technology that accurately quantifies the variety composition of grain shipments in a timely manner in a commercial environment.

Through its VID work, the CGC will continue to be a leader in the development of VID technology, the establishment of comprehensive variety fingerprint databases for wheat and barley, and in the implementation of these tools for the benefit of Canada's grain industry. The CGC is also committed to transferring VID technology to the private sector for use in commercial VID testing.

3. *The development of a proposal to restructure the western wheat classes to enable the development and integration of non-milling wheat varieties.*

The CGC will continue the process regarding the proposal to restructure some western Canadian wheat classes. This proposal is aimed at enabling the development of non-milling wheats, such as high-yielding feed wheats, while continuing to protect the integrity of milling classes and grades. <http://grainscanada.gc.ca/Pubs/discussions/wgas/wgas01-e.htm>

### **Process Verification**

In a marketplace with increasing global demands for unique product specifications and traceability requirements, the CGC is developing and implementing process verification programs with the goal of enhancing global acceptance of Canadian grain by delivering specific quality attributes demanded by domestic and international buyers.

#### *Ineligible Varieties Working Group (IVWG)*

The CGC is part of a grain industry working group (IVWG) whose objective is to develop protocols for sampling, testing, and process controls that will minimize the incidence of visually indistinguishable ineligible varieties being shipped to buyers under incorrect certification. The working group is investigating the potential for an industry Quality Management System that would have the CGC monitor and audit logistical processes within the Canadian grain handling system.

The IVWG is developing protocols that apply to varietal testing and process controls throughout the grain supply chain (originating at the primary elevator through to export terminals and vessel loading) for all cargo shipments of western Canadian wheat and durum that will receive a Certificate Final. The CGC is overseeing the design and plans to conduct a pilot study to determine if IVWG protocols are auditable and effective in mitigating the risks posed by ineligible varieties.

#### *Canadian Identity Preserved Recognition System (CIPRS)*

CIPRS is a voluntary tool for process verification that the industry can use to provide third party assurance of the processes used throughout the supply chain, from producer to shipper, to deliver the specific quality attributes and traceability that some domestic and international buyers require. During the 2006-07 planning period the CGC will continue to implement CIPRS to recognize industry's ability to deliver products with improved quality assurance systems for maximum acceptance in global markets. In addition, the CGC will be addressing the need to develop further tools and standards for process verification to address the need to segregate varieties with unique quality attributes within closed-loop identity preservation programs.

The CGC is also in the process of developing its CIPRS+ program and is participating in soybean and mustard pilot studies to test the on-farm and post-farm impacts of implementing food safety and quality management models for identity preserved grains. The infrastructure supporting CIPRS is being adapted to provide verification of HACCP-based processes in order

to provide safety assurances for grain. For further information on the status of the CIPRS and CIPRS+ programs refer to <http://grainscanada.gc.ca/prodser/ciprs/ciprs1-e.asp>.

### *Coherent and Integrated Approach to Handling Imported Grain*

The CGC will continue to support Canadian WTO obligations regarding the treatment of imported grain, while at the same time maintaining the integrity and policy objectives of the Canadian GQAS. The CGC will continue to work with appropriate government portfolio organizations and relevant industry stakeholders to explore, examine, and refine an integrated approach to handling imported grain.

### **Research and Objective Testing**

Many international grain buyers are investigating the exporting country of origin's practices and regulations concerning such factors as registered genetically modified (GM) events, pesticide registrations and usage, and recognized grain and food safety programs. International concern is also growing with respect to the adventitious presence (AP) of grain in shipments. AP refers to the unintended, technically unavoidable presence of genetically engineered material in an agri-food commodity. The presence of adventitious materials has potentially significant impacts on the marketability of Canadian grain, and in sufficient quantities, can ultimately affect end-use characteristics and grain quality or safety.

During the planning period, the CGC will continue to augment its GQAS system with objective ways to quantify the impact of degrading factors and to assure grain quality and safety for end-users.

### *Genetically Modified (GM) Grains*

With increasing consumer concerns, many countries are establishing GM labelling and traceability requirements. As a result, the ability to segregate GM grain and non-GM varieties is critical to maintaining Canada's international market share and meeting the requirements of the International Biosafety Protocol. The ability to segregate GM from non-GM grains will benefit exporters of Canadian food products given that there is a growing requirement to label products.

During the planning period, the CGC will continue to validate GM organism detection methods and focus research on the detection and identification of GM grains and oilseeds. The CGC will also continue to collaborate with Agriculture Portfolio partners in the development of operational and testing efficiencies to address GM organism and AP concerns.

### *Grain Safety*

The CGC is currently developing new and improved objective methods for testing chemical residues, natural toxins, and trace elements because of the growing complexity and sophistication of regulatory and technological requirements of importing countries. Research initiatives directed at cargo specific grain safety testing for degrading factors such as fusarium and ochratoxin A are currently underway. [http://grainscanada.gc.ca/Grl/grain\\_safety/grain\\_safety-e.htm](http://grainscanada.gc.ca/Grl/grain_safety/grain_safety-e.htm)



### *Grading System Factors - Falling Number (FN) and Rapid Viscosity Analysis (RVA)*

FN is the internationally accepted measure of alpha-amylase activity – an enzyme found in sprout-damaged (germinated) wheat. Many buyers place strict limits on FN in the wheat they buy because flour damaged by alpha-amylase holds less water when mixed and results in increased costs to buyers as well as undesirable final product characteristics. Sprout damage in wheat is difficult to assess - a wheat sample containing even a small amount of severely sprouted kernels may have high levels of alpha-amylase.

In the Canadian wheat grading system, sprout damage is a visually assessed grading factor. The CGC is currently chairing a working group to determine how best to implement FN into the grading system should technology prove to be viable.

During the planning period, the CGC is committed to continuing its assessment of new RapidVisco Analyser (RVA<sup>TM</sup>) technology. RVA technology offers an objective assessment of sprout damage by providing estimated FN values quickly and simply. The technology may provide the Canadian grain industry with the ability to segregate producer deliveries at the primary elevator. RVA technology may provide a solution to precise, objective results in country elevators and terminal elevators at the ports where space for specialized laboratory equipment is limited and rapid turnaround is key.

### **Priority #3: Licensing Compliance**

In May 2005, the CGC provided notice of its intention to require compliance to the licensing provisions of the *CGA* to enhance producer protection and strengthen the grain quality assurance system. In order to legally conduct business, all elevators and grain dealers, as defined by the *CGA*, will be either licensed and secured or exempted, by August 1, 2006, or be subject to criminal prosecution.

To facilitate compliance, the CGC is working toward reducing the costs and administrative requirements of licensees. For example, the CGC is implementing measures to streamline the licence renewal process and continues to explore and evaluate alternative security instruments while still providing adequate financial protection to producers. In addition, the CGC will increase resources in the licensing, audit, and compliance operational units to address an anticipated increase in the number of licensees.

#### **Priority #4: Sustainable CGC Funding Mechanism**

The CGC is mandated to perform services as legislated by the *CGA*. Over the past 15 years, a combination of increasing costs and a freeze on mandatory fee levels has led to the CGC being chronically under-funded. During this time period, cost recovery levels have dropped from around 90% to between 50 and 60%. This has required the CGC to seek interim government appropriations on an annual basis.

In order to meet evolving grain industry needs, labour contract settlements, and general increases in the costs of goods and services, the CGC has engaged in an ongoing process of cost containment and internal re-allocation of resources to new and emerging priorities. The CGC will continue to seek a sustainable funding mechanism which will maintain the CGC's capacity to create value for producers, the grain industry, and the Canadian public as an integral part of a successful Canadian GQAS.

**SECTION II – ANALYSIS OF PROGRAM ACTIVITIES BY  
STRATEGIC OUTCOME**

The CGC is organized around four strategic outcomes that reflect the planned direction of the CGC as well as the daily delivery of the CGC's program activities. The four strategic outcomes are:

1. **A grain quality assurance system that addresses the changing requirements of domestic and international grain markets**
2. **A grain quantity assurance system that addresses the changing needs of the grain industry**
3. **Research and development on grain quality that enhances the marketability of Canadian grain**
4. **Producers' rights are supported to ensure fair treatment within the grain handling system**

To illustrate the significance of each strategic outcome, the CGC has identified corresponding program activities and resources required. Each program activity has associated ongoing key programs or services with their own expected results.

Corporate infrastructure and government-wide initiatives are integral to achieving results and are factored into delivering the strategic outcomes using the CGC's costing model. The discussion and activities relevant to the CGC's plans and priorities on government-wide initiatives and corporate infrastructure can be found in Section IV.

### **Analysis by Program Activity**

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**Strategic Outcome 1:** A grain quality assurance system that addresses the changing requirements of domestic and international grain markets.

#### **Program Activity: *Deliver inspection and testing services***

##### **Financial Resources (\$ thousands):**

<b>2006-2007</b>	<b>2007-2008</b>	<b>2008-2009</b>
\$49 363	\$31 231	\$31 231

##### **Human Resources:**

<b>2006-2007</b>	<b>2007-2008</b>	<b>2008-2009</b>
458	290	290

An effective grain quality assurance system ensures the enhanced marketability of Canadian grain which benefits producers and the grain industry. Daily provision of grain inspection services supported by a strong scientific and technical base, including testing of grain, milling, baking, cooking, or making various end-use products form a major part of the quality assurance system.

There are major challenges facing the CGC and the grain quality assurance system including: increased international emphasis on end-use functionality, growing global competition, and shifting domestic crop production and volume fluctuations. It is vital that the grading system and CGC services be continually adapted to the end-use needs of international and domestic buyers of Canadian grain, and to the ongoing structural changes within the grain industry.

The overall expected result of delivering inspection and testing services is increased buyer satisfaction through delivery of consistent Canadian grain quality and increased marketability of Canadian grain.

This program activity supports departmental Priority #1 and departmental Priority #2. Delivering inspection and testing services supports not only ongoing delivery of the CGC mandate, but also positions Canada with a sustainable competitive advantage in global grain markets. Addressing Priority #4 is critical in order for the CGC to continue fulfilling its statutory mandate and maintain service levels to producers and the grain industry.

**Key Program or Service:**

**1. Deliver inspection and testing services for the quality assurance system**

**Financial Resources** (\$ thousands):

<b>2006-2007</b>	<b>2007-2008</b>	<b>2008-2009</b>
\$39 809	\$25 186	\$25 186

Provision of grain inspection and grading services forms a major part of the quality assurance system. The CGC delivers inspection services in accordance with the legislative mandate of the CGA in order to meet the requirements of the grain industry from producers to customers.

Grades allow buyers to identify end-use value without the need for end-use tests or direct examination of individual lots of grain. This improves the efficiency of grain handling and helps to ensure that sellers receive payment that reflects the value of their grain. A broad spectrum of producers and grain industry representatives meets several times annually, through the Western and Eastern Grain Standards Committees and commodity-specific subcommittees, to study and review grain standards, ensuring relevance and value of those standards in facilitating the movement of grain and transfer of ownership.

The following ongoing inspection activities and testing services are integral components of the overall delivery of an effective grain quality assurance system:

- Developing, changing, and setting grain quality standards as well as generating and distributing grain quality data and information, in partnership with the grain industry, to meet specific industry and buyer needs through the Western and Eastern Grain Standards Committee meetings <http://grainscanada.gc.ca/regulatory/standards/standards-e.htm>
- Maintain an effective Quality Management System as per ISO 9001:2000 Standards. [http://grainscanada.gc.ca/newsroom/news\\_releases/2004/2004-03-11-e.htm](http://grainscanada.gc.ca/newsroom/news_releases/2004/2004-03-11-e.htm)
- Providing an unbiased process for appeal of inspections to producer car users, and primary, transfer, and terminal elevator operators who disagree with the grades assigned by CGC inspectors. There are three levels of appeal: The regional inspector, the Chief Grain Inspector, and the Grain Appeal Tribunal. <http://grainscanada.gc.ca/regulatory/grainappeal/tribunal-e.htm>
- Administering a national grain sanitation program to ensure that grain in the domestic licensed elevator system and grain destined for export is infestation free.

These ongoing inspection activities and testing services enable the CGC to:

- Inspect and grade grain utilizing regularly updated and approved standards prior to receipt at licensed terminal elevators and prior to export from primary, transfer, or terminal elevators to enhance marketing in the interests of producers and industry.
- Provide certificates and documentation related to the inspection of grain exports to assure sellers and buyers of the quality of a shipment of Canadian grain and to facilitate its marketing.
- Manage and update data in the grain inventory accounting system (GIAS) to ensure accuracy of terminal and transfer elevator transactions. <http://www.grainscanada.gc.ca/prodser/gias/gias-e.htm>
- Manage a complaint resolution process for the quality of grain cargoes and conduct unload investigations upon shipper and producer request to ensure customer satisfaction.
- Monitor the grading system and verification process to continually maintain and improve grading consistency. <http://www.grainscanada.gc.ca/Pubs/GGG/ggg-e.htm>
- Effectively communicate relevant information on grain quality assurance issues (e.g., issue official memoranda to trade), offer technical training, and transfer technology in the form of validated methods to producers and industry stakeholders to support and improve the overall efficiency of grain grading, handling, segregation, and IP systems.

In addition, the CGC has contracted Meyers Norris Penny LLP to conduct an objective economic study to quantify the benefits and costs of mandatory inward inspection and weighing to producers and industry, and to assess what effects might result from changing or eliminating these services. The consultant will be soliciting input from a representative cross-section of producer and industry stakeholders. While these services have been reviewed in the past, the value of this economic study lies in its objectivity and focus on quantifying the financial, operational, and other impacts on producers and industry. This study will provide relevant information to facilitate future discussions and decisions.

The expected result of this key program is ongoing data collection and analysis that supports an effective grain quality assurance system to facilitate and maintain the marketability of Canadian grain and customer satisfaction. Daily provision of inspection and testing services for the quality assurance system is a key mandate supporting program that contributes to departmental Priority #1.

To measure its success in delivering this key program and achieving the expected results, the CGC uses the following tools:

- Tracking the number of samples inspected and the number of grade changes on official re-inspections (appeals of official inspection)
- A monitoring and verification process for the inspection of grain (cargo quality monitoring program)
- Ongoing monitoring and analysis of customer feedback received through the CGC’s 1-800 line and directly from users of CGC services
- Tracking customer feedback as part of the ISO 9001:2000 Quality Management System
- Tracking buyer complaints on the accuracy of CGC certification (cargo complaints) on a weekly basis, through a comprehensive database of grain unloads

**2. Provide scientific and technical support**

**Financial Resources (\$ thousands):**

<b>2006-2007</b>	<b>2007-2008</b>	<b>2008-2009</b>
\$4 927	\$3 117	\$3 117

The quality assurance system is supported by a strong scientific and technical base, including testing of grain, milling and baking, cooking and making various end-use products.

The CGC has been testing grain for toxic substances since 1966 to monitor grain entering the licensed elevator system and to provide grain safety assurances to help marketers meet international buyers’ requirements. The CGC is the only government agency that provides grain safety assurances on pesticides, trace elements, mycotoxins, fungi and moulds. Buyers of Canadian grain increasingly demand more rigorous, timely testing for chemical residues and trace elements on cargoes which is increasing the importance of research aimed at developing new or adapting existing analytical methods. For example, Japan has introduced a Food Sanitation Law that lists agricultural chemicals and their maximum toxic or harmful levels for all grains. Europe has established the European Food Safety Authority to regulate food safety in Europe and members of the European Union have embraced labelling and traceability of GM crops and food. [http://grainscanada.gc.ca/Grl/grain\\_safety/grain\\_safety-e.htm](http://grainscanada.gc.ca/Grl/grain_safety/grain_safety-e.htm)

The following scientific and technical services are integral components of the overall delivery of an effective grain quality assurance system:

- Ongoing monitoring of domestic and export cargoes to ensure Canadian grain is meeting tolerances in terms of both domestic and international grain safety tolerances and end-use quality (e.g., toxic residues, bacterial contamination, weed seeds, insects, and malting quality for specific barley varieties). In light of increasingly stringent international food safety regulations, cargo specific grain safety testing is increasing (e.g., DON, ochratoxin A).
- Annual Harvest Survey - Assessment of new crop quality specific to each grain type and relevant to the marketing of each crop to provide new and ongoing geographical and quality data. <http://grainscanada.gc.ca/Quality/harvsur/hs-e.htm>

- Evaluation of new technology to measure end-use quality to improve the utilization and increase the marketability of Canadian grain.
- Provision of technical advice, information, and complaint resolution on grain quality (including annual impact of disease and weather damage), grain safety, and end-uses to buyers, marketers, industry, and producers.
- Liaising with both international and other Canadian agencies on trade implications, to meet international standards and legislation on grain safety (e.g., Japanese Food Sanitation Law and the European Union tolerances for pesticides).

The expected result of providing technical and scientific support is to increase and/or maintain current marketability levels for Canadian grains. In addition, provision of this type of information and support will enhance the optimal management of the grain quality assurance system and afford increased opportunities for various end-uses of Canadian grain (e.g., animal feed, ethanol, malting). Based on these expected results, this key program supports departmental Priorities #1 and #2.

To measure its success in delivering this program and achieving the expected results, the CGC uses the following tools:

- Tracking buyers' satisfaction with the consistency of Canadian grain through regular feedback garnered by CGC scientists and technical experts from overseas or domestic buyers and processors
- A monitoring and verification process for the inspection of grain (cargo quality monitoring program)

### 3. Modify the system to meet changing requirements

#### Financial Resources (\$ thousands):

2006-2007	2007-2008	2008-2009
\$4 627	\$2 928	\$2 928

Addressing the challenges facing Canada's grain quality assurance system is vital in making significant progress towards the realization of this program activity, but also contributes to all CGC strategic outcomes and those of the Government of Canada.

The following initiatives and programs are underway to address pressures on the grain quality assurance system and the visual based grading system:

- Wheat Quality Assurance System (WQAS) – Continue to develop and modify the integrated three element WQAS program that was initiated in December 2003 to address the challenges facing the KVD system. [http://grainscanada.gc.ca/pubs/committee\\_reports/ved/ved\\_report-e.htm](http://grainscanada.gc.ca/pubs/committee_reports/ved/ved_report-e.htm)
  - Continue increased monitoring of railcar and vessel shipments for the presence and source of nonregistered wheat varieties to support the CGC certification processes and ultimately maintain end-use processing quality and customer perceptions of Canadian grain.



- Continue development of effective, timely, affordable variety identification technology to identify the variety composition of wheat shipments and enable segregation for variety specific shipments.
- Conduct further consultations and analysis of feedback garnered from the proposal to restructure western wheat classes. This proposal is aimed at enabling the development of non-milling wheats, such as high-yielding feed wheats, while continuing to protect the integrity of milling classes and grades.
- Continue to develop rapid methods and systems that can assist in the identification of varieties of different quality types in grains other than wheat. For example, there are industry pressures to develop yellow seeded (high linolenic acid) flax for the rapidly growing flax food industry although the yellow seeded characteristic was reserved for low linolenic solin. In addition, the development of canola quality *Brassica juncea* lines has created a serious KVD issue between canola and condiment mustard types as the quality characteristic differences between the two are mutually exclusive.
- Ineligible Varieties Working Group (IVWG) – Continue to participate in the development of protocols for sampling, testing, and process verification standards with the objective of addressing growing concerns with ineligible varieties in grain shipments and ultimately the issuance of incorrect certification.
  - Ineligible Varieties Technical Committee (IVTC) – Continue to develop a quality plan that applies to varietal testing and process controls throughout the grain supply chain for all cargo shipments of western wheat and durum that will receive a Certificate Final. The CGC is overseeing the design and plans to conduct a pilot study to determine if IVWG protocols are auditable and effective in managing the risks of ineligible varieties.
- Canadian Identity Preserved Recognition System (CIPRS) – Continue to implement the CIPRS program to oversee and officially recognize industry's ability to deliver products with better quality assurance systems for maximum acceptance in global markets marked by demands for unique product specifications and traceability.
 

[http://www.grainscanada.gc.ca/pubs/brochures/ip\\_recognition/ip\\_recognition04-e.htm](http://www.grainscanada.gc.ca/pubs/brochures/ip_recognition/ip_recognition04-e.htm)

  - CIPRS+ - Participate in soybean and mustard pilot studies to test the on-farm and post-farm impacts of implementing food safety and quality management models for specific identity preserved grains. The infrastructure supporting CIPRS is being adapted to provide verification of HACCP-based processes in order to provide safety assurances for grain.
- Border Notification System (BNS) – Continue to consider a BNS to address the perceived risk that there may be an influx of ineligible varieties and unapproved events which could weaken Canada's GQAS.
- Contract Registration Technical Committee – Continue to develop a risk assessment framework to assign non-conforming wheat varieties proposed for contract registration into different risk categories; design a quality management system standard for closed-loop identity preserved programs to ensure the segregation of wheat lines with diverse risk; and establish monitoring requirements and costs according to risk categories.

- Utilize the risk assessment framework to oversee and evaluate a pilot project designed to study the performance of a closed loop contract registration system for wheat (BW295).
- Third-Party Accreditation – Develop protocols for accrediting or designating third party agencies, with CGC oversight, to perform sampling and testing in order to address inconsistencies with container, rail, and bulk handling shipments to enhance the marketability and handling of Canadian grain.

The overall expected result of modifying the system to meet changing requirements is to improve technology and objective methods for determining quality in order to facilitate grain movement and enhance the marketability of Canadian grains. Given these expected results, this key program supports departmental Priority #2.

To measure its success in delivering this program and achieving the expected results, the CGC uses the following tools:

- Feedback from the annual meetings of the Eastern and Western Standards Committees with producers and the industry
- Ongoing monitoring and analysis of customer feedback received through the CGC’s 1-800 line and directly from users of CGC services
- Tracking buyers’ satisfaction with the consistency of Canadian grain through regular feedback garnered by CGC scientists and technical experts from overseas or domestic buyers and processors

**Strategic Outcome 2:** A grain quantity assurance system that addresses the changing needs of the grain industry

**Program Activity:** *Deliver weighing services*

**Financial Resources** (\$ thousands):

2006-2007	2007-2008	2008-2009
\$15 996	\$9 297	\$9 297

**Human Resources:**

2006-2007	2007-2008	2008-2009
148	86	86

The Canadian grain quantity assurance system assures the weight of grain loaded into or discharged from conveyances and in storage in the licensed terminal and transfer elevator

system, which benefits producers and the grain industry. Daily provision of grain weighing services forms a major part of the quantity assurance system that is supported by a strong technical base.

The challenges for the grain quantity assurance system include increased requirements for quantity information to manage grain stocks and keeping up-to-date with increasingly sophisticated weighing and transfer technology in grain elevators.

The overall expected result of delivering weighing services is to implement an improved strategy to monitor client satisfaction with the CGC weighing and dispute resolution programs.

This program activity directly supports departmental Priority #1. Delivery of weighing services and programs is an integral component of the ongoing provision of the CGC mandate. In addition, the ongoing review and development of weighing programs, procedures, and equipment contributes to enhancing the Canadian GQAS and departmental Priority #2. Addressing Priority #4 is critical in order for the CGC to fulfill its statutory mandate and maintain weighing service levels to the grain industry.

**Key Program or Service:**

**1. Deliver weighing services for the quantity assurance system**

**Financial Resources (\$ thousands):**

<b>2006-2007</b>	<b>2007-2008</b>	<b>2008-2009</b>
\$15 007	\$8 722	\$8 722

The CGC delivers weighing services to meet the legislative mandate of the CGA and requirements of the grain industry from producers to customers. Essential weighing procedures are defined within the CGC’s Quality Management System (QMS) Procedure Manual, or outlined in a QMS Work Instruction Format, and are accessed by weigh staff to ensure consistent application of procedures. CGC weighing policies and procedures are monitored and evaluated through a series of reporting policies and national discussion and review forums. Regular review of quantity assurance processes allows the CGC to adjust the service procedures as necessary through Improvement Requests (IR), and identify or adjust training requirements.

The following ongoing weighing services and programs are integral components of the overall delivery of an effective grain quantity assurance system:

- Delivery of weighing services to maintain an effective Quality Management System as per ISO 9001:2000 Standards. [http://grainscanada.gc.ca/newsroom/news\\_releases/2004/2004-03-11-e.htm](http://grainscanada.gc.ca/newsroom/news_releases/2004/2004-03-11-e.htm)
- Establishing and maintaining grain quantity assurance standards to continuously evolve with industry grain weighing procedures and equipment standards.

- Developing monitoring systems for both weighing and grain flow verification processes to increase the effectiveness of the quantity assurance system and ensure that the identity of grains shipped under IP systems is preserved.
- Providing weighing services:
  - at primary elevators to increase grain quantity information and management of grain stocks in the primary elevator system;
  - prior to receipt at licensed terminal elevators and prior to export from terminal or transfer elevators to enhance grain marketing in the interests of producers and industry. [http://grainscanada.gc.ca/Prodser/quantity\\_weig/weigmenu-e.htm](http://grainscanada.gc.ca/Prodser/quantity_weig/weigmenu-e.htm)
- Collecting, interpreting and distributing railcar data and information, and generating reliable grain quantity data for use by the industry to support the quantity assurance system.
- Management of the Grain Inventory Accounting System (GIAS) for the industry to provide accurate information of terminal and transfer grain inventory data. <http://grainscanada.gc.ca/prodser/gias/gias-e.htm>
- Management of complaint resolution processes for quantity of export grain cargoes to maintain ongoing customer satisfaction.
- Management of a Dispute Resolution Service (DRS) to assist grain producers and the grain industry in recovering for grain lost during transport by railcar or during the discharge process. The DRS utilizes official unload reports documented by CGC staff at licensed terminal and transfer elevators to authenticate received weights. Although the CGC does not provide binding arbitration for weight shortages, a CGC railcar investigation provides key information to support shippers' entitlement to adjustment for excessive grain shortages at unload and transport charges. An extensive historical railcar deficiency database is maintained to further substantiate shippers' reported weight loss claims. This database provides information on railcar derailments, railcars missing at destination and commingling of contents at unload, and allows tracing of railcar location and placements.
- Conducting official weigh-overs of all stocks in store at licensed terminal and transfer elevators at prescribed intervals, to verify the overage or shortage of grain, grain products, or screenings in an elevator pursuant to the tolerances stipulated in the *Canada Grain Regulations*.

The expected result of delivering weighing services for the quantity assurance system is to maintain and increase the accuracy in reporting of official weights in grain transactions in order to enhance customer satisfaction and the marketability of Canadian grain. Given this expected result, this key program supports departmental Priorities #1 and #2.

To measure its success in delivering this key program and achieving the expected results, the CGC uses the following tools:

- Consistently monitoring the use, by all interested parties, of CGC-generated data such as track lists and railcar exception reports, certified weighing systems reports, and official weight statements
- On-site monitoring of railcar unloads and provision of critical unload data to interested parties
- Monitoring producer and industry usage of, and satisfaction with, the DRS

- Tracking the number of weigh-overs performed within mandated timeframes and resolution of any discrepancies between physical stocks and officially registered grain stocks
- Tracking the continued use of the GIAS and the number of adjustments to grain inventories

## 2. Provide technical support of the quantity assurance system

### Financial Resources (\$ thousands):

2006-2007	2007-2008	2008-2009
\$989	\$575	\$575

In order to maintain relevancy and to address constantly changing industry demands, the CGC provides ongoing technical support for the quantity assurance system.

The following services are integral components to this key program:

- Delivery of the weighing system inspection program and grain accounting services (GIAS) to maintain an effective Quality Management System as per ISO 9001:2000 Standards. [http://grainscanada.gc.ca/newsroom/news\\_releases/2004/2004-03-11-e.htm](http://grainscanada.gc.ca/newsroom/news_releases/2004/2004-03-11-e.htm)
  - Maintaining a regular weighing system inspection program to verify the accuracy and reliability of terminal and transfer elevator weighing equipment.
- Generating, collecting, and distributing grain quantity data and information on an ongoing basis to meet specific industry and buyer needs. <http://grainscanada.gc.ca/Information/stats-e.htm>
- Providing ongoing technical advice to meet specific industry and buyer needs.

The expected result of this key program is to assist clients in accurate reporting of quantity information, through technological advancements, in order to maintain and increase the marketability of Canadian grain. Providing technical support of the quantity assurance system supports departmental Priority #1 and contributes to Priority #2.

To measure its success in delivering this key program and achieving the expected results, the CGC uses the following tools:

- Tracking the use of the GIAS and the number of adjustments to grain inventories
- Tracking scale complaints attributed to CGC approved weighing systems and industry adherence to CGC proposed weighing system improvements
- Consistently monitoring the use, by all interested parties, of CGC-generated data such as track lists and railcar exception reports, certified weighing systems reports, and official weight statements

<p><b>Strategic Outcome 3:</b> Research and development on grain quality that enhances the marketability of Canadian grain.</p>
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**Program Activity:** *Conduct research to understand and measure grain quality*

**Financial Resources** (\$ thousands):

2006-2007	2007-2008	2008-2009
\$9 171	\$4 156	\$4 156

**Human Resources:**

2006-2007	2007-2008	2008-2009
85	39	39

The CGA requires the CGC to undertake, sponsor and promote research related to grains. The CGC conducts research directly related to supporting the quality assurance system that permits the effective marketing of Canadian grain in the interests of producers. The GRL researches new methods for quality, new measurement factors to determine quality, end-use applications of Canadian grain, quality of new breeders' varieties, and carries out the annual Harvest Survey. The GRL, through its research, supports the continual improvement of the grain quality assurance system.

There are major challenges confronting the CGC's research activities and the grain quality assurance system due to the changing needs of the Canadian grain industry. There is a major shift in the type of crops grown and their end-uses, increased demand for variety identification by objective non-visual methods, and concerns with GM crops. Research focus has shifted to address these issues in pulses, new types of oilseeds, variety identification, and GM crops. Research related to traditional crops, such as wheat, barley, canola and flax, is still essential, as these crops make up a significant amount of the domestic and export markets. There is increasing emphasis on end-use functionality, especially new end-uses in the domestic industry. Grain is increasingly being sold based on specifications requiring objective non-visual testing of quality or safety factors and the provision of grain quality and safety assurances.

The expected results of conducting research to understand and measure grain quality are: adaptation of new objective methods for quality assessment and grain safety assurance; adoption and publication of new methods by current standard setting organizations; and provision of accurate quality assessment tools for new breeder lines.

This program activity directly supports departmental Priority #1 as undertaking, sponsoring and promoting grain related research upholds the mandate of the CGC and facilitates effective marketing of Canadian grain. In addition, ongoing research of new methods and measurement factors to determine quality, end-use applications of Canadian grain, and quality of new breeders' varieties supports improvement of the Canadian GQAS and departmental Priority #2.

Addressing Priority #4 is also critical in order for the CGC to fulfill its statutory mandate and continue ongoing research focused on understanding and measuring grain quality.

## Key Program or Service:

### 1. Research methods to measure grain quality

#### Financial Resources (\$ thousands):

2006-2007	2007-2008	2008-2009
\$4 127	\$1 870	\$1 870

Non-visual methods for the assessment of grain quality are required in order to maximize the return on investment to each segment of the Canadian grain handling system. New internationally accepted methods are necessary to capture and maintain the inherent value through all phases of the marketing system from producer to exporter.

The following ongoing research activities are integral components of this key program:

- Developing new and improved methods for evaluating and measuring end-use quality factors for all grains and oilseeds, (e.g., Near Infra Red (NIR), digital imaging, rapid viscosity analysis (RVA), and pulse cooking quality) to meet international and domestic marketing requirements. <http://www.grainscanada.gc.ca/quality/tests/tests-e.htm>
- Providing third party unbiased evaluation of quality characteristics of breeders' new varieties as part of the registration process.
- Researching the suitability of Canadian grain varieties for various domestic and international end-uses to increase the marketability of Canadian grain in the interests of producers.
- Developing internationally accepted methods for evaluation of grains, oilseeds and pulse quality.
- Expanding research on computer-assisted image enhancement and measurement to assess grain quality and develop rapid accurate tests to measure visual quality factors.
- Assessing the use of objective tests to increase efficiency, reduce costs and enhance the testing capabilities of the CGC.

The expected result of this key program is the development of internationally recognized methods for quality evaluation of all grains and oilseeds in collaboration with other national and international laboratories. Based on this expected result, researching methods to measure grain quality supports departmental Priority #2.

To measure its success in developing research methods that support the grain quality assurance system, the CGC tracks:

- The number of objective testing methods adapted into the CGC's grading and inspection system

- Industry integration of objective testing methods into segmentation and/or marketing systems
- The quality and number of research papers published
- Grain industry response (domestic and international) to the research, scientific and technical support provided by the CGC
- Customer satisfaction with end-use quality as measured by client feedback during foreign missions or by client visits
- End-user response to the quality assessment of new varieties and harvest survey information
- Technology transfer to private sector users, other government agencies, universities and international organizations

## 2. Research new quality factors

### Financial Resources (\$ thousands):

2006-2007	2007-2008	2008-2009
\$4 127	\$1 870	\$1 870

In order to remain competitive in the international marketplace, it is imperative that future grain quality attributes be anticipated and captured. As such, research that supports emerging issues in the grain quality assurance system is crucial to all segments of the Canadian grain industry.

The following ongoing research activities are integral components of this key program:

- Continuing collaborative and jointly funded research efforts (nationally and internationally) to develop measures for assessing grain quality.
- Ongoing research of relevant factors and development of methods to provide grain safety assurances on new quality factors for domestic and international markets.
- Validating research to address current major grain quality issues in order to improve quality evaluation of grains (e.g., sprout damage in wheat, chlorophyll in canola, dehulling characteristics in lentils, germination energy in barley, food use of flax, and noodle quality).
- Ongoing research of wheat and barley DNA and protein fingerprinting methods to develop tests for identifying and quantifying varieties of grains in shipments in order to develop the capacity for identifying multiple variety composition and enable segregation of variety specific shipments.
- Development of methods for identifying and quantifying GM grains and oilseeds to enable quantification of GM status of grain and meet the needs of the Biosafety Protocol.
- Identifying specific areas of interest (as part of the strategic plan of scientific research within the portfolio) by establishing working groups on science infrastructure, human resources, longer-term science vision, GM issues, and disposal for animal and plant health emergencies.

The expected result of this key program is to develop new methodologies for identifying variety compositions and to enable variety specific marketing in order to meet changing producer,



industry, and customer demands for specific end-use quality. Based on this expected result and the contributing programs and initiatives, researching new quality factors supports departmental Priority #2.

To measure its success in researching emerging quality factors to support the grain quality assurance system, the CGC tracks:

- The application of newly developed objective measures of quality into the CGC’s grading and inspection system.
- Industry integration of objective testing methods into segmentation and/or marketing systems.
- Technology transfer to private sector users, other government agencies, universities and international organizations.
- Grain industry response (domestic and international) to the research, scientific and technical support provided by the CGC.
- The quality and number of research papers published.

### 3. Research new grain standards

#### Financial Resources (\$ thousands):

2006-2007	2007-2008	2008-2009
\$917	\$416	\$416

Continually evolving uses of grain require that the CGC have the ability to anticipate, identify, and measure new grain specifications in order to meet changing industry needs.

The following ongoing research activities are integral components of this key program:

- Developing specifications and measurement protocols to support new standards to assist in diversification of end-uses of Canadian grains.
- Increasing the amount of objective testing (e.g., digital image analysis, NIR, oil composition) in order to replace subjective quality assessment factors with numerical tolerances.
- Developing testing protocols to support the segregation of grains with new end-use traits for non-food uses.

The expected result of this key program is to develop objective testing protocols and specifications to support the Canadian grading system and facilitate the marketing and end-use diversification of Canadian grains. Given this expected result, researching new grain standards supports departmental Priorities #1 and #2.

To measure its success in ensuring that this key program is on track the CGC monitors:

- The application of newly developed objective measures of quality into the CGC’s grading and inspection system

- Customer satisfaction with end-use quality as measured by client feedback during foreign missions or by client visits
- End-user response to the quality assessment of new varieties and harvest survey information
- The quality and number of research papers published

**Strategic Outcome 4:** Producers' rights are supported to ensure fair treatment within the grain handling system.

**Program Activity:** *Protect producers' rights*

**Financial Resources** (\$ thousands):

2006-2007	2007-2008	2008-2009
\$2 208	\$1 873	\$1 873

**Human Resources:**

2006-2007	2007-2008	2008-2009
21	17	17

The CGC is an impartial third party that, in the interests of producers, establishes and maintains standards of quality for Canadian grain and regulates grain handling in Canada to ensure a dependable commodity for domestic and export markets. The CGC is mandated to serve producer interests by upholding the *CGA* and as a result, has implemented a number of programs and safeguards. These include the licensing and security program, producer liaison measures, producer car procedures, and a quality appeal system.

The expected result of this program activity is increased producer satisfaction with the grain handling system.

This program activity directly supports departmental Priorities #1 and #3 (Licensing Compliance), as the CGC is mandated to ensure the fair treatment of producers within the grain handling system. Addressing Priority #4 is also important to maintain producer satisfaction with the delivery of various procedures and systems related to their protection.

## Key Program or Service:

### 1. Administer the licensing and financial security system

#### Financial Resources (\$ thousands):

2006-2007	2007-2008	2008-2009
\$1 056	\$895	\$895

The CGC licenses and regulates primary, process, transfer, and terminal elevators as well as grain dealers. Licensed elevators and dealers are required to post security to cover their liabilities to producers in the event of a company default. This regulatory activity contributes to the fair treatment of western Canadian producers.

The following ongoing activities are integral components of an effective licensing and financial security program:

- Licensing eligible elevators and grain dealers.  
<http://grainscanada.gc.ca/information/licensing-e.htm>  
<http://grainscanada.gc.ca/Regulatory/licensees/licensees-e.htm>
- Obtaining security to protect producers in case of default by a licensee in order that producers receive compensation.
- Conducting audits of licensees' liabilities to producers to monitor compliance with the CGA. <http://grainscanada.gc.ca/information/licensing-e.htm>
- Ongoing development of strategies to facilitate a licensing and reporting process that increases the efficiency of administrative/reporting mechanisms.

The expected result of this key program is to decrease the level of CGC licensing non-compliance, increase the number of new grain dealers or operators that are licensed, and mitigate financial risk to producers. This key program directly supports departmental Priorities #1 and #3.

The number of unlicensed facilities presents an ongoing challenge to the CGC, as producers delivering to these facilities are not protected in the case of a default. During the reporting period, the CGC will continue to broaden the licensee base at the producer delivery level and will increase licensing, audit and compliance operational unit resources to address the anticipated increase in the number of licensees. To facilitate compliance, the CGC will continue to work toward reducing the costs and administrative requirements of licensees.

In order to measure the success of its efforts in administering the licensing and financial security system, the CGC will utilize the following methods and processes:

- Evaluation of producer claims under the licensing and security program. In the result of financial failure of a licensed elevator or grain dealer, the CGC tracks producer reimbursement from posted security.

## 2. Manage the allocation of railcars for individual producer requests

### Financial Resources (\$ thousands):

2006-2007	2007-2008	2008-2009
\$164	\$140	\$140

The CGC allocates producer cars for producers and producer groups that wish to ship their own grain. The CGC will continue to develop and implement strategies to address producer car issues, including the increasing demand from producers for railcar allocations.

<http://grainscanada.gc.ca/prodser/producercars/information/prodcars-e.htm>

The expected results of this key program are, pursuant to the *CGA* and *Canada Grain Regulations*, to provide and make available an alternate grain delivery mechanism and respond to producer car allocation challenges. Managing the allocation of railcars for individual requests contributes to departmental Priority #1.

In order to measure the success of its efforts in managing the allocation of railcars for individual producer requests, the CGC will utilize the following methods and processes:

- Monitoring producer concerns with accessing producer cars by tracking the percentage of cars allocated versus the eligible applications received.

## 3. Fair treatment of producers by grain companies and dealers

### Financial Resources (\$ thousands):

2006-2007	2007-2008	2008-2009
\$833	\$707	\$707

To safeguard fair and equitable grain transactions for producers, the CGC has set up an information and compliance network. Inspection, weighing, and arbitration services are essential to the efficient and fair operation of grain markets for producers and the grain industry. Grades allow buyers to identify end-use characteristics without the need for end-use tests or direct examination of individual grain lots. This helps to ensure that producers are properly compensated for the quality and quantity of grain delivered and shipped.

The following ongoing activities are integral components of this key service:

- Mediating and/or arbitrating producer complaints concerning transactions with licensed grain companies to facilitate negotiated settlements acceptable to both parties.  
[http://grainscanada.gc.ca/Regulatory/Licensees/for\\_producers-e.htm](http://grainscanada.gc.ca/Regulatory/Licensees/for_producers-e.htm)
- Re-inspection of samples on producer request and investigation of quality complaints in order to mediate and resolve issues with grain transactions. This may include provision of “subject to inspector’s grade and dockage” for deliveries to primary elevators, or re-inspection for producer car deliveries to port position pursuant to the *CGA*.

The “inspector’s grade and dockage” provision means that a grain producer, or the person delivering the grain on a producer’s behalf, has the right to ask for a binding decision from the CGC if there is a disagreement with the grade or dockage received at a licensed primary elevator. The parties are bound by the results of the CGC inspection decision. [http://grainscanada.gc.ca/newsroom/news\\_releases/2004/2004-10-07b-e.htm](http://grainscanada.gc.ca/newsroom/news_releases/2004/2004-10-07b-e.htm)

- Ongoing review of regulations to amend or eliminate those that are no longer relevant, enforceable, or contributing to the effective operation of the Canadian grain industry.
- Analysis of licensee weigh-over/audit data and conducting investigations when appropriate. [http://grainscanada.gc.ca/forms/licencerep/info\\_wei-e.htm](http://grainscanada.gc.ca/forms/licencerep/info_wei-e.htm)

The expected result of this key service is to successfully resolve complaints and facilitate settlements acceptable to those parties involved, while improving the ability of producers to manage their business risks. Based on this expected result, fair treatment of producers by grain companies and dealers directly supports both departmental Priority #1 and #3.

In order to measure the success of its efforts in facilitating fair treatment of producers by grain companies and dealers, the CGC will utilize the following methods and processes:

- Tracking producer inquiries and complaints on unfair treatment by grain companies. Feedback, complaints and requests for information are received through: direct contact with Assistant Commissioners and CGC staff at Prairie service centres or Head Office; or the CGC 1-800 line.
- Conducting periodic surveys of producers and producer groups to gain a producer perspective on the CGC, CGC services, or industry trends. Surveys provide the CGC with an understanding of producer requirements and expectations, benchmarks for setting service standards, and the impact of CGC services at the producer level.
- Tracking the number of producer requests for grain sample analysis (e.g., “inspector’s grade and dockage”). Satisfaction by producers in CGC-facilitated resolution of disputes involving grain transactions is measured by direct confirmation (part of the process) and by absence of recurrence.

#### 4. Provision of grain quality information to producers

##### Financial Resources (\$ thousands):

2006-2007	2007-2008	2008-2009
\$155	\$131	\$131

The CGC continually collects and updates grain quality data and grain handling information and makes it available to producers and other interested parties. This information and technical support facilitates producer sales and marketing decisions.

The following ongoing activities are integral components of this key service:

- Maintaining and disseminating grain quality assessment and technical information (e.g., drying, sampling, harvest survey, etc.).

[http://www.grainscanada.gc.ca/Information/gg\\_tools-e.htm](http://www.grainscanada.gc.ca/Information/gg_tools-e.htm).

- Publishing statistical reports on grain stocks and handling within the licensed elevator system. [http://grainscanada.gc.ca/pubs/pubmenu-e.htm#Statistical\\_Publications](http://grainscanada.gc.ca/pubs/pubmenu-e.htm#Statistical_Publications)
- Providing extension support for producers on statistics related topics (e.g., Metric conversions, calculations, test/bushel weight determinations).

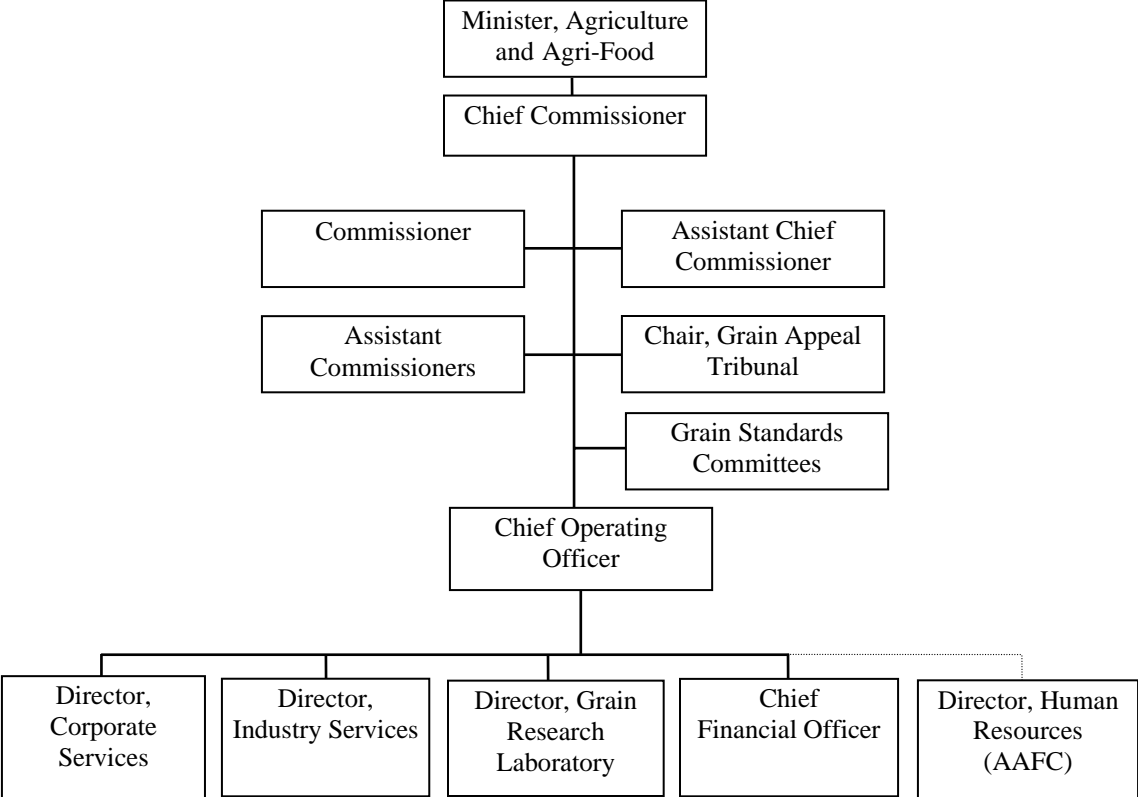
The expected result of this key service is the provision of accurate and relevant technical and statistical information to support producer sales and marketing decisions. As such, this key service supports departmental Priority #1.

In order to measure the success of its efforts in providing grain quality information to producers, the CGC will utilize the following methods and processes:

- Tracking producer subscriptions to CGC publications.
- Conducting periodic surveys of producers and producer groups to gain a producer perspective on the CGC, CGC services, or industry trends. Surveys provide the CGC with an understanding of producer requirements and expectations, benchmarks for setting service standards, and the impact of CGC services at the producer level.

## **SECTION III – SUPPLEMENTARY INFORMATION**

# Organizational Information





## CGC Partnerships

The CGC is integral to the functioning of Canada's grain industry. In our role as a neutral, third party regulator and arbiter, the CGC works in partnership with virtually every participant in the industry.

<b>Key partners</b>	<b>Areas of co-operation</b>
<b>Industry</b>	
Producers and producers' organizations Grain Companies Railways Processors University Laboratories Plant Breeders Instrument Manufacturing Companies Canadian Wheat Board Canadian International Grains Institute Canadian Seed Institute Canadian Soybean Exporters Association Grain Exporters Ontario Wheat Producers' Marketing Board	Setting grain quality standards Operation of the grain quality and quantity assurance system Provide grain shipment and unload data interchange Dispute resolution for quality and quantity issues Development and implementation of policies and regulations Sharing market information Market development and support Research and technology transfer Auditing and certifying industry IP systems
<b>Portfolio Departments and Agencies</b>	
Agriculture and Agri-Food Canada Canadian Food Inspection Agency Canadian Dairy Commission Farm Credit Canada National Farm Products Council	Grain data co-ordination Sharing knowledge Research Strategic planning Meeting international tolerances for toxic contaminants in grain Shared quality and quantity assurance program delivery
<b>Other Government Departments</b>	
International Trade Canada Statistics Canada Industry Canada Health Canada Canada Border Services Agency Transport Canada Justice Canada	Sharing knowledge Facilitating international trade Publication of grain statistics and funding of international consulting projects Market development and support Grain shipment and unload data interchange Inspection and certification of terminal and transfer elevator scales Regulation of grain imports

<b>Foreign</b>	
U.S. Department of Agriculture (Grain Inspection, Packers and Stockyards Administration) Japanese Food Agency Commonwealth Scientific and Industrial Research Organisation (Australia) State Administration of Grain (China) Agropecuaria (Uruguay)	Shared quality assurance program delivery Facilitating international trade Research Technology training

**Table 1: Departmental Planned Spending and Full Time Equivalents**

(\$ thousands)	Forecast Spending 2005-2006	<b>Planned Spending 2006-2007</b>	Planned Spending 2007-2008	Planned Spending 2008-2009
Deliver inspection and testing services <sup>1</sup>	43 974	<b>49 363</b>	31 231	31 231
Deliver weighing services <sup>1</sup>	13 985	<b>15 996</b>	9 297	9 297
Conduct research to understand and measure grain quality	8 687	<b>9 171</b>	4 156	4 156
Protect producer's rights <sup>1</sup>	2 143	<b>2 208</b>	1 873	1 873
Budgetary main estimates (gross)	68 789	<b>76 738</b>	46 557	46 557
Non-budgetary main estimates (gross)	0	<b>0</b>	0	0
Less: spendable revenue	41 895	<b>41 516</b>	41 516	41 516
<b>Total Main Estimates</b>	26 894	<b>35 222</b>	5 041	5 041
<i>Adjustments:</i> <sup>2</sup>				
ERC Procurement Savings <sup>3</sup>	0	<b>(20)</b>	0	0
Governor General Warrants <sup>4</sup>	711	<b>(4 488)</b>	0	0
<i>Total Adjustments</i>	711	<b>(4 508)</b>	0	0
<b>Total Planned Spending</b>	27 605	<b>30 714</b>	5 041	5 041

<b>Total Planned Spending</b>	27 605	<b>30 714</b>	5 041	5 041
Less: Non-Respendable revenue	0	<b>0</b>	0	0
Plus: Cost of services received without charge	396	<b>1,733</b>	366	359
<b>Net cost of Program</b>	28 001	<b>32 447</b>	5 407	5 400

<b>Full Time Equivalents</b>	654	<b>712</b>	432	432
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<sup>1</sup> Includes Canadian Grain Commission (CGC) revolving fund activities.

<sup>2</sup> Adjustments accommodate approvals obtained since Main Estimates and include items such as Budget initiatives, Supplementary Estimates and Governor General Warrants.

<sup>3</sup> ERC planned savings (-\$20K).

<sup>4</sup> Includes carry forward (\$962 K), collective agreements (\$239 K), advertising (\$110 K) and ERC planned savings (-\$600 K).

This table illustrates the relationship of the Revolving Fund Spendable Revenue to the total amount of Appropriation Revenue available for spending.

**Table 2: Program Activities**

<b>2006-2007</b>											
<b>(\$ thousands)</b>	<b>Budgetary</b>							<b>Non-Budgetary</b>			
<b>Program Activity</b>	Operating	Capital	Grants	Gross	Contributions and Other Transfer Payments	Responsible Revenue	Net	Loans, Investments and Advances	Total Main Estimates	Adjustments (planned spending not in Main Estimates)	Total Planned Spending
<b>Deliver Inspection and Testing Services<sup>1</sup></b>	46 703	2 660	0	49 363	0	31 326	18 037	0	18 037	0	<b>18 037</b>
<b>Deliver Weighing Services<sup>1</sup></b>	15 133	863	0	15 996	0	9 325	6 671	0	6 671	0	<b>6 671</b>
<b>Conduct Research to Understand and Measure Grain Quality</b>	8 510	661	0	9 171	0	0	9 171	0	9 171	0	<b>9 171</b>
<b>Protect Producers Rights<sup>1</sup></b>	2 077	131	0	2 208	0	865	1 343	0	1 343	0	<b>1 343</b>
<b>Total</b>	<b>72 423</b>	<b>4 315</b>	<b>0</b>	<b>76 738</b>	<b>0</b>	<b>41 516</b>	<b>35 222</b>	<b>0</b>	<b>35 222</b>	<b>0</b>	<b>35 222</b>

<sup>1</sup> Includes Canadian Grain Commission (CGC) revolving fund activities.

This table depicts the projected revenue and costs for each program activity.

**Table 3: Voted and Statutory Items Listed in Main Estimates**

<b>2006-2007</b>			
Vote or Statutory Item	Canadian Grain Commission	<b>Current Main Estimates</b> (\$ 000's)	Previous Main Estimates (\$ 000's)
40	Program Expenditures	<b>24 666</b>	5 434
(S)	Canadian Grain Commission Revolving Fund	<b>(127)</b>	(127)
(S)	Contributions to Employee Benefit Plans	<b>10 683</b>	587
	<b>Total Department</b>	<b>35 222</b>	<b>5 894</b>

The Voted and Statutory items reflect the Canadian Grain Commission (CGC) comparison of approved funding from year to year. The current Main estimates include an additional sunset funding amount of \$30 million.

**Table 4: Services Received Without Charge**

(\$ thousands)	<b>2006-2007</b>
Contributions covering employers' share of employees' insurance premiums and expenditures paid by Treasury Board of Canada Secretariat (excluding revolving funds) Employer's contribution to employees' insured benefits plans and expenditures paid by TBS	<b>1 579</b>
Worker's compensation coverage provided by Social Development Canada	<b>154</b>
<b>2006-2007 Services received without charge</b>	<b>1 733</b>

This table represents all services provided and paid by other government departments on behalf of the Canadian Grain Commission (CGC).

**Table 5: Summary of Capital Spending by Program Activity**

(\$ thousands)	Forecast Spending 2005-2006	<b>Planned Spending 2006-2007</b>	Planned Spending 2007-2008	Planned Spending 2008-2009
Deliver inspection and testing services <sup>1</sup>	1 615	<b>2 660</b>	1 680	1 680
Deliver weighing services <sup>1</sup>	524	<b>863</b>	501	501
Conduct research to understand and measure grain quality	401	<b>661</b>	331	331
Protect producer's rights <sup>1</sup>	80	<b>131</b>	113	113
<b>Total</b>	2 620	<b>4 315</b>	2 625	2 625

<sup>1</sup> Includes Canadian Grain Commission (CGC) Revolving Fund activities.

This table represents the CGC's planned capital spending over the next three years.

**Table 6: Sources of Respendable Revenue**

**Respendable Revenue**

(\$ thousands)	Forecast Revenue 2005-2006	<b>Planned Revenue 2006-2007</b>	Planned Revenue 2007-2008	Planned Revenue 2008-2009
Deliver inspection and testing services (RF) <sup>1</sup>	28 145	<b>31 326</b>	31 326	31 326
Deliver weighing services (RF) <sup>1</sup>	8 378	<b>9 325</b>	9 325	9 325
Protect producers' rights (RF) <sup>1</sup>	777	<b>865</b>	865	865
<b>Total Respendable Revenue</b>	37 300	<b>41 516</b>	41 516	41 516

(RF)<sup>1</sup> represents Revolving Fund activities.

This table identifies all sources of respendable revenue generated.

**Table 7: Revolving Fund – Statement of Operations**

(\$ thousands)	Forecast 2005-2006	<b>Planned 2006-2007</b>	Planned 2007-2008	Planned 2008-2009
<b>Respendable Revenue</b>	41 895	<b>41 516</b>	41 516	41 516
Expenses				
Operating:				
Salaries and employee benefits	33 672	<b>31 900</b>	31 900	31 900
Depreciation	1 493	<b>1 411</b>	1 411	1 411
Repairs and maintenance	362	<b>465</b>	465	465
Administrative and support services	4 562	<b>4 691</b>	4 691	4 691
Utilities, materials and supplies	1 535	<b>1 971</b>	1 971	1 971
Marketing	105	<b>135</b>	135	135
	41 729	<b>40 573</b>	40 573	40 573
<b>Surplus (Deficit)</b>	166	<b>943</b>	943	943

This table portrays and allocates the costs associated with the Respendable Revenue generated through fees and contracts.

**Statement of Cash Flows**

(\$ thousands)	Forecast 2005-2006	<b>Planned 2006-2007</b>	Planned 2007-2008	Planned 2008-2009
<b>Surplus (Deficit)</b>	166	<b>943</b>	943	943
Add non-cash items:				
Depreciation/amortization	1 493	<b>1 411</b>	1 411	1 411
Investing activities:				
Acquisition of depreciable assets	(1 532)	<b>(2 227)</b>	(2 227)	(2 227)
<b>Cash surplus (requirement)</b>	127	<b>127</b>	127	127

This table converts the financial statement information from book value to a cash basis.

**Projected Use of Authority**

(\$ thousands)	Forecast 2005-2006	<b>Planned 2006-2007</b>	Planned 2007-2008	Planned 2008-2009
Authority	2 381	<b>2 381</b>	2 381	2 381
Drawdown:				
Balance as at April 1	12 165	<b>127</b>	254	381
Operating (deficit)/surplus	(12 165)	<b>0</b>	0	0
Projected surplus (Drawdown)	127	<b>127</b>	127	127
	127	<b>254</b>	381	508
<b>Projected Balance at March 31</b>	2 508	<b>2 635</b>	2 762	2 889

This table represents the projected surplus (drawdown), which is made up of the ANCAFA (cash basis) plus a \$2 million line of credit for revolving fund activities only.



**Table 8: Internal Audits and Evaluations**

<b>CGC Internal Audit Plan</b>
<b>2006-2007</b>
Scheduled Reviews: <ul style="list-style-type: none"><li>• User Fees – Review progress of the User Fee Committee (<i>April-May 2006</i>)</li><li>• Section 34 Authorities (HR and other) (<i>May-June 2006</i>)</li><li>• Petty cash and cash float processes (<i>June-August 2006</i>)</li><li>• CIPRS Program (<i>September-October 2006</i>)</li><li>• Use of service standards in Performance Management (IS) (<i>Nov.-December 2006</i>)</li><li>• Project Management Process (PMP) (<i>January-February 2006</i>)</li></ul>
<b>2007-2008</b>
Planned Reviews: <ul style="list-style-type: none"><li>• Employee performance appraisal processes and linkages to CGC strategic outcomes</li><li>• System for calculating the required level of security from licensees</li><li>• Use of service standards in Performance Management (GRL)</li><li>• Management of Return to Work</li><li>• Succession planning efforts</li><li>• Overall use of performance measures in Performance Management</li></ul>
<b>2008-2009</b>
Planned Reviews: <ul style="list-style-type: none"><li>• Health and Safety Management system</li><li>• Contracting – work performed on behalf of other government departments</li><li>• Contracting – work performed by other government departments CGC’s behalf</li><li>• Use of service standards in Performance Management (Enabling Groups)</li><li>• Processes governing the selection, approval, and management of external contractors</li><li>• Adoption of the HR Modernization Framework at the CGC</li></ul>

## **SECTION IV – OTHER ITEMS OF INTEREST**

## **Corporate Infrastructure and Government-Wide Initiatives**

CGC corporate infrastructure includes support functions such as management of human resources, information technology, statistical services, communications, finance, policy and planning, administration, and health and safety. These functions enable the CGC to deliver the activities necessary to achieve its strategic outcomes and result in improved performance, increased employee productivity and effective communication with industry and producers. Success will be measured by evaluating the effectiveness of specific activities and measurement tools for specific programs such as competent staff, number of accidents, meeting legislative requirements, and efficiency gains due to well-developed information technology.

Although the CGC is a small department with limited resources, it prides itself on the ability to implement government-wide initiatives. Sound agency management denotes not only cost efficiency, but signifies the CGC's commitment to government-wide initiatives such as the Management Accountability Framework, providing services in both official languages, the Government On Line (GOL) initiative, and effective partnering with other government organizations to provide effective, efficient service to Canadians. Success in this area will be measured by tracking specific activities undertaken to achieve the goals of various government-wide initiatives and measuring program, unit, and individual performance against performance targets.

The CGC is committed to fulfilling its mandate in the most efficient and cost effective manner possible. The costs of both corporate infrastructure and implementation of government-wide initiatives are accounted for under the costs of delivering CGC strategic outcomes and program activities. The following sections provide descriptions of internal and government-wide CGC initiatives and activities.

### **Management of Human Resources**

A skilled and motivated workforce is critical to the CGC in delivering its services to Canadians. The CGC is committed to provide an inclusive and diverse workplace that is representative of the citizens and communities served. The following activities and initiatives are integral components to the management of human resources in the planning period:

- Effective communication and integration of human resource goals, priorities, and business planning.
- Further implementation of competency-based initiatives (performance management, training, and resourcing) to develop and sustain a capable workforce and fulfill departmental objectives.
- Communication and integration of changes from the *Public Service Modernization Act* into CGC human resource policies and processes.
- Development, implementation, and communication of a comprehensive People Management Framework which reflects departmental needs and modernized human resource management legislation and practices.

- Development of a succession strategy/process for CGC leadership.
- Initiation of communication with union officials to strengthen relationships and consultation practices in order to improve collaboration and increase informal issue resolution.
- Design and implementation of an informal conflict management system.
- Further development of generic work descriptions, leave self-service, and other electronic or web-based tools.
- Continued implementation of the CGC's Employment Equity Plan.
- Development of a performance management tool to be piloted in the organization.

The expected results of these planned activities include:

- Collaborative relationships between management, employees, and employee representatives.
- Competent staff able to move/progress within the department and the public service.
- Continuous improvement of HR management skills by managers and supervisors.
- A workplace culture that encourages diversity and enables employees to learn and to progress within the department.
- A skilled work force more representative of Canada's population and in compliance with the *Employment Equity Act*.

### **Information Technology**

- Developing and managing an information technology infrastructure that is responsive, secure, and provides support to enhance all aspects of CGC business.
- Developing, acquiring, and implementing advanced software applications and providing IT operational support.
- Storing, handling, and providing operational data in a secure and timely manner to improve decision-making and reduce costs.

### **Statistical Services**

- Providing concise and timely statistical support to all work groups.
- Providing extension support to industry and other government organizations on statistical related topics.

### **Communications**

- Providing effective internal communications (e.g., Staff net, bulletins, Chief Operating Officer communications, planning session information).
- Developing and implementing effective external communication tools (e.g., CGC web-site, news releases and conferences, and industry meetings and conferences).
- Continuing to develop communication skills within the organization.
- Promoting and implementing the requirements of the *Official Languages Act* to provide improved services and information in both official languages.

### **Finance**

- Continuing delivery of financial transaction processing and reporting

- requirements, as well as provision of guidance to the organization.
- Conducting planned internal audit activities to accomplish risk assessment of all key risk areas.
  - Responding to the requirements of the *User Fees Act* by continuing to manage and report on key characteristics of identified CGC user fees.

### **Policy and Planning**

- Providing policy support to all work groups to aid in corporate decision making.

### **Administration Services**

- Managing national and regional administrative programs and policies in order to provide efficient and effective administrative support to all CGC divisions.
- Managing of CGC facilities and telecommunications to secure rent and telecom savings and provide an efficient, safe and healthy work environment.
- Addressing service accommodation needs by: renewing leases as they come due where facilities satisfy requirements; reconfiguring accommodations when necessary; relocating where required; and refining and analyzing recapitalization options for CGC Head Quarters, 303 Main Street, Winnipeg, Manitoba.
- Testing of business resumption plan and training of staff to ensure the delivery of services are more reliable and secure in case of a hazardous occurrence.

### **Health and Safety**

- Managing the ongoing development of an effective health and safety program aimed at achieving a decreased accident rate and a healthy, productive workforce.

### **Corporate Development**

- Developing a corporate risk profile to provide an effective risk management framework for all projects, new initiatives and ongoing work.
- Continuing to record and support the expanding list of activities to fulfil the mandate of the Management Accountability Framework.
- Completing performance measures by which unit and individual employee effort is evaluated for all fee-for-service CGC activities.
- Completing service standards for all fee-for-service CGC activities.

### **Partnering with Other Government Organizations**

- Ongoing provision of phytosanitary inspection of grain elevators on behalf of the Canadian Food Inspection Agency to eliminate the duplication of services.
- Ongoing provision of grain inspection on behalf of the US Federal Grain Inspection Service in eastern Canada as per the Memorandum of Service to facilitate the movement of grain.