

MEMORANDUM D19-3-2

Ottawa, November 4, 1994

SUBJECT

EXPORTATION OF WHEAT AND BARLEY PRODUCTS

The Department of National Revenue assists other government Departments (OGDS) and agencies in the administration of their various Acts and Regulations. This Memorandum outlines and explains the provisions of the *Canadian Wheat Board Act* as it pertains to the exportation of wheat and barley products.

GUIDELINES AND GENERAL INFORMATION

1. Under the authority of the *Canadian Wheat Board Act*, the Canadian Wheat Board requires that all exports of wheat and barley products be authorized through the issuance of a Single or Multiple Shipment Licence or be covered under the Special Export Licence provisions.
2. Wheat and barley products include:
 - (a) all kinds and grades of wheat or barley;
 - (b) all substances produced by processing or manufacturing wheat or barley that contain wheat or barley or a combination of those grains in any form to an extent greater than 25% by weight. The substance is designated a product of the grain of which it contains the largest percentage by weight.

Single Shipment and Multiple Shipment Licences

3. Exporters of all wheat and barley products, other than those covered by the Special Export Licence provisions, must apply to the Canadian Wheat Board for a Single Shipment or Multiple Shipment Licence prior to exportation.
4. Export licences restrict exportation to a single point of exit and are valid for sixty (60) days from the date of issue. Extensions will not be granted.
5. Exporters must also apply to the Canadian Wheat Board for a licence to export the following:
 - (a) wheat and barley that was imported into Canada for temporary storage and is now being exported. (Export licences are not required for USA wheat that is in transit through Canada, but that will not be unloaded into elevators in Canada.);
 - (b) in-transit shipments of Canadian wheat, en route to another Canadian point by way of the USA and not shipped by or consigned to the Canadian Wheat Board (**Exemption:** CN Rail routing through Minnesota between Sprague, Manitoba to Rainy Lake, Ontario; **and** CP Rail routing through the state of Maine between the points of Lac Mégantic, Quebec and McAdam, New Brunswick).

Special Export Licence Provision

6. The Canadian Wheat Board Act allows the exportation of certain products under Special Export Licence provisions. Exporters of products qualifying under these provisions are not required to apply to the Canadian Wheat Board for a licence, but are required to reference the Special Export Licence provision number on their **form B13A, Export Declaration (for destinations other than the USA)**.

7. Special Export Licence (SPL) provisions are as follows:

SPL CWB 1050 – authorizes the following fresh or frozen products for exportation to **all countries**:

bread; bread products; cakes; cookies and biscuits; pastries; pizza crusts

SPL CWB 1541 – authorizes the exportation by vessel of unlimited quantities of wheat of the grades listed below shipped by the CWB or its agent to all destinations **other than the USA**:

- (a) Wheat No. 1 Canada Western Red Spring – all protein percentages;
- (b) Wheat No. 2 Canada Western Red Spring – all protein percentages;
- (c) Wheat Nos. 1, 2 and 3 Canada Western Red Winter;
- (d) Wheat Nos. 1, 2 and 3 Canada Western Amber Durum;
- (e) Wheat Nos. 1 and 2 Canada Prairie Spring;
- (f) Wheat Nos. 1, 2 and 3 Canada Western Soft White Spring

Shipments exported under authority of SPL CWB 1541 must be covered by an export contract booked with the CWB. The contract number, as well as the export licence number SPL CWB 1541 must be shown on all forms B13A export declarations.

SPL SMP 100 – authorizes exports of samples of Canadian wheat and barley (and products made from these grains), not in excess of 5 kg (11 lbs.)

SPL SMP 200 – authorizes the Canadian Grain Commission, the Canadian Wheat Board and the Canadian International Grain Institute to export samples of wheat and barley (and products made from these grains) not in excess of 50 kg (110 lbs.)

Reporting to Customs

8. Exporters of all wheat and barley products, other than those qualifying under the Special Export Licence provisions, must present the following documents to Customs for validation at the point of exit specified on the licence:

- two copies of their bill of lading or scale ticket identifying the quantity and the grade and protein level in the shipment, and
- two copies of their single shipment licence (original and one copy) or multiple shipment licence (two copies – Exporters are expected to surrender their original multiple shipment licences to Customs with their final export shipment authorized under each licence).

9. Exporters must indicate the export licence number on their B13A, *Export Declaration* (for destinations other than the USA).

10. When presented, Customs will date stamp all copies, return one copy to the exporter and forward the original or second copy of the licence and bill of lading to the Canadian Wheat Board on a weekly basis.

11. When issuing Multiple Shipment Licences, the Canadian Wheat Board will provide the Customs office specified as the point of exit with a copy.

12. When Multiple Shipment Licences are presented, Customs will verify the quantities with the Multiple Shipment Licence received from the Canadian Wheat Board. Customs will maintain a record of quantities exported and refuse shipments exceeding quantities authorized on the Multiple Shipment Licence.

13. Where Customs suspects that the product being exported is not as described on the licence, Customs will take a sample (1 kg/2.2 lbs) and contact the Canadian Wheat Board.

Penalties

14. Exporters are advised that any attempt to export wheat or barley without the required licence is in contravention of the *Canadian Wheat Board Act* and the *Customs Act*. Customs will detain shipments until such time as the exporter presents a valid export licence issued by the Canadian Wheat Board, or voluntarily terminates the export movement.

15. Customs export reporting requirements are provided in Memorandum D20-1-1, *Export Declaration*. Exporters of wheat and barley who do not comply with the requirement to report to Customs and present the appropriate export licence are in non-compliance with the Customs Act and are subject to seizure or ascertained forfeiture of their shipment and the conveyance used to transport it. Terms of release for seized wheat or barley or wheat or barley subject to ascertained forfeiture will be \$100 per metric tonne of wheat and \$40 per metric tonne of barley. In addition, the terms of release for the conveyance used to transport the illegal wheat or barley will be \$400 for each infraction, except where the contravention involves a failure to comply with a request of a Customs officer, in which case the amount shall be \$400 for the first infraction and \$2,000 for each subsequent infraction.

16. Every person who fails to report exported wheat or barley products to Customs is in contravention of section 95 of the *Customs Act*, and may also face criminal prosecution and fines of not more than five hundred thousand dollars or to imprisonment for a term not exceeding five years or to both.

17. In addition, exporters of wheat and barley who do not comply with the *Canadian Wheat Board Act* are also subject to the penalty provisions of that Act, which include fines of up to \$5,000 or up to two years imprisonment or to both.

Additional Information

18. Licence applications, or questions concerning the *Canadian Wheat Board Act* and regulations should be directed to:

Export and Import Permits Department
The Canadian Wheat Board
423 Main Street
P.O. Box 816
Winnipeg, Manitoba
R3C 2P5

Telephone: 204 983-3569
Fax: 204 983-3841

19. Questions concerning the administration by Customs of the requirements and procedures outlined in this Memorandum should be directed to:

Revenue Canada
Ottawa, Ontario
K1A 0L5

Attention: Interdepartmental Programs
Inspection and Control Division

Telephone: 613 954-7129
Fax: 613 952-1698

REFERENCES

ISSUING OFFICE –

Inspection and Control Division

LEGISLATIVE REFERENCES –

Customs Act, sections 95, 97.2(1), 99(1)(c)(e)(f), 101, 110, 117, 118, 124
Reporting of Exported Goods Regulations
Canadian Wheat Board Act, Section 45
Canadian Wheat Board Regulations

HEADQUARTERS FILE –

7614-4

SUPERSEDED MEMORANDA "D" –

N/A

OTHER REFERENCES –

D20-1-1

SERVICES PROVIDED BY THE DEPARTMENT ARE AVAILABLE IN BOTH OFFICIAL LANGUAGES.

THIS MEMORANDUM IS ISSUED UNDER THE AUTHORITY OF THE DEPUTY MINISTER OF NATIONAL REVENUE.