



ESTIMATES

Canadian Grain Commission

**2001-2002
Estimates**

Part III – Report on Plans and Priorities

Canada

The Estimates Documents

Each year, the government prepares Estimates in support of its request to Parliament for authority to spend public monies. This request is formalized through the tabling of appropriation bills in Parliament. The Estimates, which are tabled in the House of Commons by the President of the Treasury Board, consist of three parts:

Part I – The Government Expenditure Plan provides an overview of federal spending and summarizes both the relationship of the key elements of the Main Estimates to the Expenditure Plan (as set out in the Budget).

Part II – The Main Estimates directly support the *Appropriation Act*. The Main Estimates identify the spending authorities (votes) and amounts to be included in subsequent appropriation bills. Parliament will be asked to approve these votes to enable the government to proceed with its spending plans. Parts I and II of the Estimates are tabled concurrently on or before 1 March.

Part III – Departmental Expenditure Plans which is divided into two components:

- (1) **Reports on Plans and Priorities (RPPs)** are individual expenditure plans for each department and agency (excluding Crown corporations). These reports provide increased levels of detail on a business line basis and contain information on objectives, initiatives and planned results, including links to related resource requirements over a three-year period. The RPPs also provide details on human resource requirements, major capital projects, grants and contributions, and net program costs. They are tabled in Parliament by the President of the Treasury Board on behalf of the ministers who preside over the departments and agencies identified in Schedules I, I.1 and II of the *Financial Administration Act*. These documents are to be tabled on or before 31 March and referred to committees, which then report back to the House of Commons pursuant to Standing Order 81(4).
- (2) **Departmental Performance Reports (DPRs)** are individual department and agency accounts of accomplishments achieved against planned performance expectations as set out in respective RPPs. These Performance Reports, which cover the most recently completed fiscal year, are tabled in Parliament in the fall by the President of the Treasury Board on behalf of the ministers who preside over the departments and agencies identified in Schedules I, I.1 and II of the *Financial Administration Act*.

The Estimates, along with the Minister of Finance's Budget, reflect the government's annual budget planning and resource allocation priorities. In combination with the subsequent reporting of financial results in the Public Accounts and of accomplishments achieved in Departmental Performance Reports, this material helps Parliament hold the government to account for the allocation and management of public funds.

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**Canadian Grain Commission
Report on Plans and Priorities**

2001-2002

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Section I: Messages

Minister's Message

Welcome to the Canadian Grain Commission's *Report on Plans and Priorities*. The Report details how the Canadian Grain Commission (CGC) intends to use the resources at its disposal to discharge its responsibilities to protect grain producers' interests and to ensure a consistent supply of quality grain to Canada's foreign and domestic grain customers. It also sets out standards by which the CGC's performance in meeting its objectives can be assessed.

Canada is known around the world for the quality, reliability, and safety of its grain exports. This is a key factor in permitting Canadian exporters to compete effectively in very competitive international grain markets.

This competitive advantage must be nurtured to ensure that Canadian grain producers can realize the maximum value for their products. In order to do this, the CGC must not only deal effectively with the historical challenges to the quality assurance system for Canadian grains, but must also deal with an unprecedented pace of technological change in the grains industry. This Report outlines the major challenges the CGC faces and indicates how they will be addressed.

These continue to be challenging economic times for many Canadians farmers, especially for grain producers. An effective quality assurance system is essential for producers to be able to realize maximum value from their farms. The extra resources the federal government has committed to the CGC through to the end of fiscal year 2003-2004 highlights how we will contribute to building a firm foundation for our industry here at home.

Of course, no matter how carefully we plan, challenges will continue to confront not only Canadians but every nation. This Report highlights how we will contribute to building a firm foundation for our industry here at home.

The Honorable Lyle Vanclief
Minister of Agriculture and Agri-Food Canada

Chief Commissioner's Message

I am pleased to present the Canadian Grain Commission's Report on Plans and Priorities (RPP) for the fiscal year 2001/02.¹

The CGC delivers a grain quality assurance program that results in shipments of grain that consistently meet customer specifications for quality, safety, and quantity. Quality is Canada's competitive edge in the world market, and we are committed to working with the entire grain industry to maintain that advantage.

Canada's reputation is enhanced by the CGC's standards of quality, technical and scientific expertise, and commitment to service. Our role in Canada's grain industry is valued both domestically and internationally. As the federal agency primarily responsible for the quality assurance system, it is critical that we continue to respond to domestic and international trends and changes. The challenges we face will require innovative responses and close collaboration with producers, the industry and our international clients.

I am confident that our strategies will ensure the continued integrity of the quality assurance system and Canada's reputation on the world stage.

Barry Senft
Chief Commissioner

¹ Prior to being scheduled under the *Financial Administration Act* in 1999, the CGC reported to Parliament under the Main Estimates documents submitted by Agriculture and Agri-Food Canada (AAFC). This change has formalized our long-standing reporting and accountability arrangements. The CGC has always functioned as a separate administrative entity from AAFC and the chief commissioner has and will continue to report directly to the minister.

Management Representation

I submit, for tabling in Parliament, the 2001-2002 Report on Plans and Priorities (RPP) for the Canadian Grain Commission.

To the best of my knowledge the information:

- Accurately portrays the agency's mandate, priorities, strategies and planned results of the organization.
- Is consistent with the disclosure principles contained in the Guidelines for Preparing a Report on Plans and Priorities.
- Is comprehensive and accurate.
- Is based on sound underlying agency information and management systems.

I am satisfied as to the quality assurance processes and procedures used for the RPP's production.

The Planning and Reporting Accountability Structure (PRAS) on which this document is based has been approved by Treasury Board Ministers and is the basis for accountability for the results achieved with the resources and authorities provided.

Gordon Miles
Chief Operating Officer

Section II: Agency Overview

2.1 Mandate, Roles and Responsibilities

Mandate

The Canadian Grain Commission (CGC) derives its authority from the *Canada Grain Act* (1912) most recently revised in 1998. 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. The CGC works closely with the industry in Canada to develop and implement CGC policies that meet the needs of the industry in marketing Canadian grains. The CGC assures end-use quality, thus enhancing the marketability of Canadian grain.

Mission

To be a leader in providing grain quality management and quantity assurance, dedicated to excellent and responsive service supporting producers, all sectors of the grain industry and their customers.

Vision

Excellence in grain quality assurance.

Responsibilities

The Honourable Lyle Vanclief, Minister of Agriculture and Agri-Food Canada 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 is responsible for the CGC's business line: a grain quality assurance system that enhances grain marketing in the interest of producers.

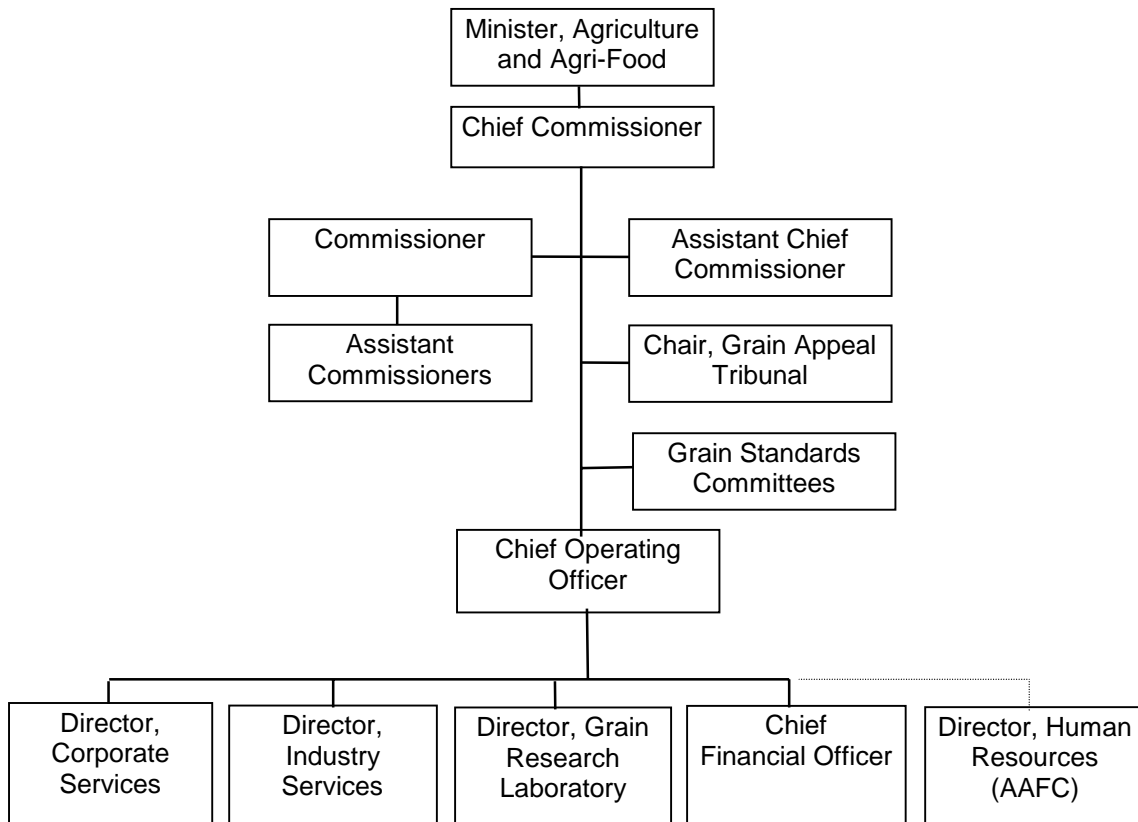
The chief operating officer co-ordinates the activities of the CGC's operating divisions: Industry Services, Corporate Services and the Grain Research Laboratory. The Director of Human Resources works in Agriculture and Agri-Food Canada (AAFC), but has a functional reporting relationship with the Chief Operating Officer. The Chief Financial Officer also reports to the Chief Operating Officer.

In addition, there are up to six assistant commissioners for the main grain producing areas of Canada, also appointed by the Governor in Council. The assistant commissioners are responsible for dealing with producer and grain industry complaints and inquiries, and for publicizing the activities of the CGC at the farm level.

The Western and Eastern Grain Standards Committees, made up of producer and industry representatives as well as the CGC’s technical experts, are responsible for reviewing and recommending grade standards.

The Grain Appeal Tribunal receives appeals from primary, terminal and transfer elevator operators and producer car shippers who disagree with grades assigned by CGC inspectors. The chair of the tribunal acts on behalf of the CGC, but acts independently of the CGC’s inspection staff. Other members of the tribunal are selected from the grain industry.

Canadian Grain Commission Organizational Structure



Agency Description

Headquartered in Winnipeg, the CGC has approximately 805 full-time employees working in 21 offices throughout the country. The CGC implemented a revolving fund in 1995 and was added to Schedule I.1 of the *Financial Administration Act* in 1999, formalizing its arm's length relationship with AAFC and giving it a separate Vote in the Estimates.

Partnerships

The CGC works closely with producers, other members of the Canadian grain industry, and other government departments and agencies to deliver its programs and services, and fulfill its mandate. In addition to their representation on the Grain Standards Committees and the Grain Appeal Tribunal as described above, producers and the industry are consulted before the CGC makes major program, policy or regulatory change.

Key Partners

Areas of Cooperation

Industry Partners

- Producers
- Grain handlers and dealers
- Processors
- Canadian Wheat Board
- Canadian International Grains Institute
- Universities
- Laboratories
- Plant Breeders

- setting of grain quality standards
- operation of the grain quality assurance system
- development and implementation of policies and regulations
- sharing of market information
- market development and support
- research and technology transfer

Portfolio Departments and Agencies

- Agriculture and Agri-Food Canada
- Canadian Food Inspection Agency
- Canadian Dairy Commission
- Farm Credit Corporation
- National Farm Products Council

- sharing of knowledge
- research
- strategic planning
- meeting international tolerances for toxic contaminants in grain
- shared quality assurance program delivery

Other Government Departments

- Department of Foreign Affairs and International Trade
- Statistics Canada
- Canadian International Development Agency
- Industry Canada
- Health Canada
- Canada Customs
- National Research Council
- Provincial Departments of Agriculture

- sharing of knowledge
- facilitating international trade
- publication of grain statistics
- market development and support
- inspection and certification of terminal and transfer elevator scales

Foreign

- U.S. Department of Agriculture (Grain Inspection, Packers and Stockyards Administration)
- Food Science Australia
- Bread Research Institute, Australia
- shared quality assurance program delivery
- facilitating international trade
- research
- technology

2.2 Agency/Program Objective

A grain quality assurance system that enhances grain marketing in the interest of producers.

2.3 Planning Context

The Canadian grain industry operates in a climate of constant change. Our quality assurance system must be able to adapt to change while continuing to provide buyers with grains, oilseeds and pulses of consistent and uniform quality. The factors expected to have the most significant impact on the how the CGC fulfills its mandate during the planning period are:

A. Pressures on Canada's visual grading system.

Canada's reputation as a supplier of grain of consistent quality is the product of an integrated grain handling system and marketing chain that stretches from the plant breeder through to the quality assurance the CGC provides to buyers. A cornerstone of this unique Canadian system is a visually based method of identifying the end-use quality of classes of grains, oilseeds and pulses.

Wheat is particularly dependent on a visual method of quality assessment. Wheat varieties meeting the quality requirements of one of the seven classes of wheat must have kernels that are visually similar to other varieties in a given class, and visually distinguishable from the varieties of all other classes. This 'kernel visual distinguishability' (KVD) allows grain inspectors and the grain handling industry to quickly and cheaply segregate wheat into its classes based on what it looks like.

Each of the seven classes of wheat have specific end-use quality characteristics. This means there is a direct link between what western Canadian wheat looks like, and how it will perform in its end use. For example, wheat varieties in the Canada Western Red Spring (CWRS) class are developed to be used in bread and noodle products, while Canada Western Soft White Spring (SWS) wheat varieties are best suited for cookies, cakes and pastries.

Buyers of Canadian wheat know how it will perform in its intended end use simply by knowing its class and grade. In this way, KVD functions in the place of testing for milling and baking performance necessary in other wheat grading systems. Our segregation method allows for the low cost, efficient movement of bulk grain through a constrained handling system.

Despite its advantages, there are pressures to move away from wheat segregation based on KVD. These pressures come from a number of sources:

- Plant breeders would prefer a segregation system that would allow for greater flexibility in breeding. The kernel type requirements of KVD restricts the ability of plant breeders to improve agronomic and quality characteristics in new varieties.
- New varieties are being developed with end-use quality characteristics that are different than the existing classes. One solution would be to establish additional classes, but there are insufficient kernel characteristics to enable new classes to be established.
- Non-registered, visually indistinguishable wheat varieties are sometimes grown in Canada when these varieties are perceived to have agronomic advantages such as higher yield or disease resistance. If these varieties are produced in sufficient quantities and have end-use quality characteristics that are very different from the classes they resemble, they have the potential to compromise the effectiveness of the entire quality assurance system.

As these pressures on Canada's visual grading system mount, it will become increasingly important to find an alternative method to segregate grains, oilseeds and pulses into lots of like quality to meet the needs of diverse buyers. Until an affordable and rapid alternative to replace KVD is developed, we must maintain it as the primary method to segregate wheat.

B. The development of genetically modified (GM) grains and oilseeds.

Canada must address the marketing challenges presented by the development and production of GM grains and oilseeds. GM grains and oilseeds result from the application of recombinant DNA technology during plant variety development. With increasing consumer concerns about the relative safety of GM grains and oilseeds, some countries have established, and others are establishing, GM labeling requirements. This means that the ability to segregate GM and non-GM varieties will become critical to maintaining Canada's international market share. Since GM varieties usually are not visually distinguishable from non-GM varieties, this adds to the pressures on the visual grading system and intensifies the need to find an alternative method of segregation.

C. Structural changes in the Canadian grain industry.

The structure of the Canadian grain industry is changing in a number of ways that impact the way that the CGC oversees the quality assurance system and is funded. One of the most significant structural changes was the 1995 repeal of the *Western Grain Transportation Act* which increased the grain industry's rail shipping costs to Canadian ports. This has made offshore exports less competitive and encouraged greater use of western Canadian grains within North America. Growing U.S. markets, and growth in domestic value-added processing, have contributed to average grain receipts at port terminals dropping by about 20% since the early 1990s.

This has had serious financial implications for the CGC as most of its revenues come from fees charged for the inspection and weighing of grain as it is loaded into vessels for export. These fees not only cover the costs of these direct services, but also fund other services that support the quality assurance system such as grade standard setting, research into end-use quality, entomology services, and cargo monitoring.

Another structural change in the industry is the continuing decline in the number of smaller primary elevators and the concomitant increase in size of the new high throughput large scale elevators. Since the early 1960s, the number of primary elevators in western Canada has dropped from over 5,000 to just under 850. Over the same period, average storage capacity has gone from about 2,000 tonnes to over 7,900 tonnes, with some facilities capable of storing 50,000 tonnes. These changes have a number of implications for the CGC including: a drop in licensing revenue; a need to change our licensing policies; a changing pattern of demand for CGC services (e.g., increasing demand for farm-gate quality evaluation); and a potential reduction in the uniformity of grain shipments.

Several large multinational corporations have entered the Canadian grain industry in recent years. The entry of these companies coupled with the increase in domestic processing and prairie livestock production, mean that grain companies are competing more aggressively for farmers' grain. From a producer's perspective, this is a positive development because it means that the handling fees they pay may decrease and that companies may provide improved and new services. The challenge for the CGC will be to ensure that the regulatory framework is adapted to these industry changes.

D. Increased consumer concerns about food safety.

Foreign buyers of Canadian grain demand testing to assure themselves that Canadian grain shipments are safe. This demand for special analyses of chemical residues on cargoes increases the importance of research aimed at developing new, or adapting existing analytical methods that can provide the necessary precision and accuracy to meet strict international tolerances.

E. Increased sophistication in customer demand for quality.

Canada's visual grading system is directly correlated to the end-use quality of the commodities to which it is applied. Canada's reputation as a supplier of grains and oilseeds of consistent quality has been built on the effectiveness of the visual grading system which is supported by sophisticated scientific methods and technology. Buyers of Canadian grains, however, are becoming more quality conscious and are asking for a wider range of quality specifications along with assurances and certification of grain quality and safety. Grain buyers are increasingly defining their quality requirements by specification in addition to grade. As a result, the CGC must be positioned to perform testing that augments the traditional grading system and widens the basis for certification. The challenge is to develop faster, more flexible, and more precise instrumental methods of certifying grain quality and grain safety than exist today. New evaluation methods must be developed in order to effectively manage the complexities arising from developments in biotechnology. There will be increased demand for broader operational use of instrumental methods of quality analysis, such as image analysis and near-infrared technologies.

2.4 Agency Planned Spending

(\$ thousands)	Forecast Spending 2000-01	Planned Spending 2001-02	Planned Spending 2002-03	Planned Spending 2003-04
Budgetary Main Estimates	77,328	62,550	64,538	64,538
Less: Respendable revenue	57,300	41,689	41,682	41,682
Total Main Estimates	20,028	20,861	22,856	22,856
Adjustments to Respendable Revenue	(12,321)			
Adjustments to Planned Spending	(12,321)	(200)	(200)	(200)
Total Agency Funding	20,028	20,661	22,656	22,656
Less: Non-respendable revenue	0	0	0	0
Plus: Cost of services received without charge	1,937	2,793	3,107	3,103
Total Planned Spending	21,965	23,454	25,763	25,759
Full Time Equivalents	766	805	805	805

Section III: Agency Plans, Results, Related Activities and Resources

3.1 Business Line Details

The CGC has one business line and primary objective: *a grain quality assurance system that enhances grain marketing in the interest of producers.*

The CGC's programs and functions aim to:

- maintain grain quality as it moves through the marketing channels and result in shipments of grain that consistently meet contract specifications for quality and quantity, are safe, and are within acceptable levels for toxic contaminants, to enhance grain marketing
- provide a better understanding of the grain qualities required by end users, and how these qualities can be measured, to adapt to new technologies and changing markets
- ensure fair treatment of grain producers and ensure the integrity of grain transactions
- meet the needs of producers and other members of the grain industry in the most efficient and effective manner possible.

3.2 Key Results Commitments, Planned Results, Related Activities and Resources

Key Results Commitment: *A grain quality assurance system that enhances grain marketing in the interest of producers.*

Planned Result 1: *A quality assurance system that addresses the changing needs of grain markets and adapts to deal with non-visually distinguishable varieties and the need to segregate GM grains and oilseeds.*

Related Activities	Timeframe
Develop plans, in consultation with plant breeders, producers, and the grain handling industry, to make the quality assurance system less dependent on visual grading.	Began in 1999/2000; ongoing throughout the next 5 years as required.
Develop testing process for monitoring cargoes to ensure that the identity of grains shipped under identity preserved (IP) systems is preserved, and that non-visually distinguishable varieties have not contaminated bulk shipments.	Ongoing

Develop and recommend an affidavit system in partnership with industry. The affidavit system would play a key role in identifying non-visually distinguishable varieties and GM or non-GM varieties to be kept identity preserved or segregated.	Fall 2001
Support industry implementation of IP and affidavit systems.	to be determined in consultation with industry
Continue to develop and implement methods for identifying genetically modified grains and oilseeds.	Ongoing
Continue to develop and implement methods for protein-based and DNA-based variety identification.	Ongoing
Continue to develop and implement near-infrared spectroscopy and digital imaging technology as methods to assess grading criteria and end-use quality.	Ongoing
Continue collaborative and jointly funded research to develop methods for automated quality testing (AQT). Once developed these methods will be transferred to industry where they can support and improve the overall efficiency of segregation systems, grain grading, handling and segregation according to end use. (see Section V: Joint Initiatives)	Ongoing

The pressure to register new cereal grain varieties which lack KVD, the production of unregistered, non-visually distinguishable wheat varieties in Canada, the development of GM grains and oilseeds, and other pressures on the visual grading system are the most crucial issues that the CGC must respond to during the planning period. It is also important that the grading system and services are adapted to the end use needs of Canadian grain buyers and the structural changes within the grain industry. While the CGC adapts to these and other changes, it must maintain KVD until it can be replaced with some other method to segregate grain.

To measure its success in meeting these challenges, the CGC will track buyers' satisfaction with the consistency of Canadian grain quality through the regular feedback its scientists and technical experts receive from buyers when on overseas missions, tracking cargo complaints, and its cargo monitoring program.

Planned Result 2: *CGC services provided in areas where there is growing demand.*

Related Activities	Timeframe
Strengthen research program on pulses, particularly in developing protocols and instrumentation for quality assessment.	Ongoing

Increase staff and services in prairie service centres to help meet the increasing demand for quality and quantity assurance services resulting from the changing patterns of grain movement.	Ongoing as required
Develop internationally recognized methods for evaluation of pulse quality in collaboration with the Canadian special crops industry and Canadian and Australian researchers.	Results progressively made available over the next 3 years.
Increase quality testing to widen the basis of CGC certification to meet the needs of specialized niche markets.	Ongoing as markets require.
Meet growing industry demands for consistent, accurate automated quality testing by making routine analytical tests available in regional offices and service centres.	Ongoing as markets require.

Planned Result 3: *Enhanced ability to monitor and detect pesticide residues, mycotoxins, heavy metals and fungi to continue to ensure Canadian grain shipments meet the strictest international food safety tolerances.*

Related Activities	Timeframe
Research factors and develop methods relevant to grain safety assurance.	Ongoing
Assess the use of rapid tests to increase efficiency and reduce costs.	Ongoing

Planned Result 4: *Improved international reputation and recognition as a world class and impartial quality assurance agency.*

Related Activity	Timeframe
Obtain ISO 9002 certification for key quality and quantity assurance services.	By Fall 2001

Planned Result 5: *Ongoing and effective quality and quantity assurance services while adapting to end use needs of buyers and grain industry changes.*

Related Activities	Timeframe
Maintain effective grain quality and quantity assurance programs.	Ongoing
Continue research on grading factors to make them more objective and to better match changing end use requirements.	Ongoing
Continue the evaluation of new varieties under development by plant breeders to ensure they meet Canada's and international quality standards.	Ongoing

Develop “tele-imaging” as a supporting technology for grain inspectors operating in remote locations	Proof of concept during 2001 and plans to implement by August 2002
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Planned Result 6: *Fair, open grain transactions and a grade arbitration system adapted to changing industry needs.*

Related Activities	Timeframe
Develop, change and set grain quality standards in partnership with the grain industry through the Western and Eastern Grain Standards Committee meetings.	Annually
Continuously improve the dissemination of information of the grain quality and safety of each year’s crop through the posting of information on the CGC’s web site.	Ongoing

Grades allow buyers to identify end use value without the need for end use tests or direct examination of individual lots of grain. This helps to ensure that sellers receive payment that reflects the value of their grain. The CGC is an impartial third party to grain transactions. Its inspection, weighing and arbitration services are essential to the efficient and fair operation of grain markets.

To measure its success in this area, the CGC plans to track buyer complaints on the accuracy of CGC certification and the number of grade changes on official re-inspections.

Planned Result 7: *Fair, enforceable and uniformly applied regulations.*

Related Activity	Timeframe
Review regulations under pressure as a result of changes in the grain handling industry. Change or eliminate regulations that are not fair, enforceable, or are no longer contributing to the effective operation of the quality assurance system.	ongoing

Planned Result 8: *Protection of producers' rights and protection of producers from grain company defaults.*

Related Activity	Timeframe
Increase auditing of licensees' financial positions, their liabilities to producers, and the security they have posted to cover those liabilities.	Began in 1999/2000; to be completed in 2001.
Develop plans to address the security system for special crops.	by September 2001
Increase resources for licensing.	by September 2001

The CGC licenses and regulates the prairie primary elevators, grain dealers and process elevators. This regulatory activity contributes to the fair treatment of western Canadian producers through the financial security system. In addition, grade arbitration is available for producer deliveries to primary elevators.

The CGC plans to measure its success in protecting producers' rights by conducting periodic surveys of producers, and by tracking producer complaints about unfair treatment by grain companies, producers' use of the grade arbitration system, and the amount of unpaid liabilities to producers.

Planned Result 9: *Fair treatment of producers*

Related Activities	Timeframe
Mediating producer complaints concerning transactions with grain companies.	Ongoing
Develop plans based on a review of shrinkage allowances that grain elevators can deduct from the weight of grain producers deliver to compensate grain companies for weight loss during grain handling.	by June 2001
Review, in collaboration with producers and the industry, producer representation on the Western Grain Standards Committee.	by May 2001

Planned Result 10: *Maintenance of producer delivery options.*

Related Activities	Timeframe
Administer producer cars by receiving applications and allocating rail cars accordingly. Producer cars introduce an additional degree of competition to the grain handling industry.	Ongoing

Planned Result 11: *Sound agency management and efficient, responsive, cost effective service.*

Related Activities	Timeframe
Implement improvements recommended in the internal and external reviews the CGC conducted of its programs and services in 1998/99 and 1999/2000.	Started in 2000/01; ongoing as the external environment allows
Improve financial information systems to provide better information in support of operations.	Started in 2000/01 and then ongoing
Develop and implement plans to improve client satisfaction by 10% through the expanded use of service standards and reliable measures of client satisfaction with key services.	Start in 2001 and achieve target by 2005
Ensure public and client accessibility to program and service information via the internet.	by December 2001
Offer secure on-line delivery of programs, services, and transactions.	by December 2004

As important as consistent grain quality is for maintaining Canada's market advantage, it cannot be at any price. The CGC is committed to fulfilling its mandate in the most efficient and effective manner possible. Success in this area will be measured by tracking the costs of operations.

During the planning period, the CGC will participate in the Government On-line (GOL) initiative, which seeks to make Canada the country most connected to its citizens by 2004. By establishing government-wide standards for communication, identification, navigation and information design of government Web sites, Canadians will be given direct access to the information they need.

The CGC is also committed to the Government of Canada's five-year Service Improvement Initiative with an objective to achieve a minimum 10% improvement in Canadians satisfaction with the delivery of key Government services to the public.

Planned Result 12: *Financial stability for the CGC.*

Related Activities	Timeframe
Develop and be in a position to implement a plan to restructure the CGC's financing.	by March 2003
Increase service revenue through the development of new business opportunities.	Ongoing

Planned Result 13: *A CGC workforce that is representative of the Canadian population.*

Related Activities	Timeframe
Achieve compliance with the Canadian Human Rights Commission audit by developing and implementing an employment equity plan to address areas of under-representation and barriers to an inclusive workforce.	Ongoing
Implement the recommendations of the Task Force on the Participation of Visible Minorities in the Federal Public Service, which are contained in the report entitled "Embracing Change in the Federal Public Service".	Ongoing

Planned Result 14: *Workplace improvements.*

Related Activities	Timeframe
Continue to implement action plans to address issues raised in the Public Service Employee Survey.	Ongoing

Total Resources for Planned Results in 2001-2002: \$62,350 (thousands)

Section IV: Joint Initiatives

4.1 Collective Initiatives

Collective Initiative	Key Result Commitment	List of Partners	Money allocated by Partners 2001-2002 (\$thousands)	Planned Results
Automated Quality Testing	To ensure that quality assessment technologies remain current with customer demands and advances in technology	Canadian Grain Commission Agriculture and Agri-Food Canada Grain Industry: <ul style="list-style-type: none"> • Canadian Wheat Board • Other 	400 (in kind) 2,600 400 (in kind) 500 2,100	<ul style="list-style-type: none"> • DNA-based technologies for faster variety identification • Other rapid technologies for grain quality measurement as approved by the AQT Technical Committee

The Automated Quality Testing (AQT) initiative is a three-year cooperative approach to researching and developing new methodologies to measure and certify Canadian grain quality. The work started in 1999-2000. Financial resources have been committed to ensure that quality assessment technology remains current with advances in plant breeding technology. To strengthen and support a vibrant and competitive Canadian grain, oilseed, and special crops sector new rapid methods for identifying varieties and determining processing quality are needed. The initiative is funding collaborative and multidisciplinary projects initiated by research partners such as universities, private organizations, the Canadian Grain Commission and other research institutions such as Agriculture and Agri-Food Canada (AAFC).

The Canadian Grain Commission has assumed overall responsibility for coordinating the research work and the accounting of the financial resources. An Industry Committee and a Technical Committee have been established to ensure that all funded research meets industry needs.

Projects are being supported financially to the extent of available funding commitments. In this regard, financial support provided by the federal government will match funds from industry partners. One project for \$2.5 million, varietal identification, has been approved to date. This project is a joint initiative of the CGC, the Cereal Research Centre of AAFC and the Eastern Cereal and Oil Research Centre of AAFC. This initiative may have to be extended by one to two years to accomplish all goals. Reprofiling will be requested.

Section V: Financial Information

Table 5.1: Summary of Capital Spending by Program and Business Line

(\$ thousands)	Forecast Spending 2000-2001	Planned Spending 2001-02	Planned Spending 2002-03	Planned Spending 2003-04
Canadian Grain Commission	3,540	3,000	3,000	4,000

Table 5.2: Sources of Respendable Revenue

(\$ thousands)	Forecast Revenue 2000-2001	Planned Revenue 2001-02	Planned Revenue 2002-03	Planned Revenue 2003-04
Canadian Grain Commission				
Inspection, Weighing, Registration, and Cancellation	40,990	37,700	37,700	37,700
Licenses and Other Revenue	3,989	3,989	3,982	3,982
	44,979	41,689	41,682	41,682

Table 5.3: Net Cost of Programs for the Estimates Year

Planned Spending (Gross Budgetary and Non-budgetary Main Estimates plus adjustments)	(\$ thousands)
<i>Plus Services Received without Charge</i>	
Accommodation provided by PWGSC	0
Contributions covering employees' share of employees' insurance premiums & expenditures paid by TBS	2,618
Workman's compensation coverage provided by Human Resources Canada	175
Salary & associated expenditures of legal services provided by Justice Canada	0
	2,793

Table 5.4: Revolving Fund - Statement of Operations

(\$ thousands)	Forecast 2000-2001	Planned 2001-02	Planned 2002-03	Planned 2003-04
Responsible Revenue	44,979	41,689	41,682	41,682
Expenses				
Operating:				
Salaries and employee benefits	33,428	33,051	32,011	32,011
Depreciation	882	1,334	1,501	1,588
Repairs and maintenance	284	218	250	255
Administrative and support services	6,857	5,560	6,457	5,792
Utilities, materials and supplies	2,338	857	983	1,002
Marketing	222	182	208	213
Interest	0	0	0	0
	44,011	41,202	41,410	40,861
Surplus (Deficit)	968	487	272	821

Table 5.5: Revolving Fund - Statement of Changes in Financial Position

(\$ thousands)	Forecast 2000-2001	Planned 2001-02	Planned 2002-03	Planned 2003-04
Surplus (Deficit)	968	487	272	821
Add non-cash items				
Depreciation/amortisation	882	1,334	1,501	1,588
Others (termination benefits)	442	401	388	388
Investing activities:				
Acquisition of depreciable assets	(2,040)	(1,970)	(1,909)	(2,545)
Cash surplus (requirement)	252	252	252	252

Table 5.6: Revolving Fund - Projected Use of Authority

(\$ thousands)	Forecast 2000-2001	Planned 2001-02	Planned 2002-03	Planned 2003-04
Authority	12,000	12,000	12,000	12,000
Drawdown:				
Balance as at April 1	2,171	2,423	2,675	2,927
Projected surplus (Drawdown)	252	252	252	252
Projected Balance	2,423	2,675	2,927	3,179
Remaining Authority	14,423	14,675	14,927	15,179

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