Canadian Grain Commission | Commission canadienne des grains

Canadian Grain Commission

March 31, 2006

Departmental Performance Report

The Honourable Chuck Strahl
Minister, Agriculture and Agri-Food

Canada

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SECTION I – OVERVIEW

Minister's Message

I am pleased to submit to Parliament and Canadians the Canadian Grain Commission's (CGC) Departmental Performance Report for the fiscal year 2005-2006. This report details how the CGC used its resources from April 1, 2005 to March 31, 2006 to regulate grain handling and establish and maintain grain standards, while protecting the interests of producers and ensuring a dependable commodity for domestic and export markets.

As Minister of Agriculture and Agri-Food and Minister for the Canadian Wheat Board, it is my job to help champion Canadian agriculture and agri-food, both at home and around the world. Canada's new government is committed to an efficient CGC that will better address the needs of producers, help agriculture grow, prosper, and be competitive on the world stage. This is key to the continued success of Canada's economy, and it is key to continuing to create opportunities for the sector, and for all Canadians.

Productivity of the agriculture and agri-food sector far surpasses other sectors of the economy and has done so for decades. The sector has proven itself to be innovative and adaptive, able to constantly evolve to meet the needs of consumers. That is why Canadian agriculture and agri-food products are known and respected at home and around the world for their superior quality.

The CGC and the other organizations within the agriculture and agri-food portfolio - including Agriculture and Agri-Food Canada, the Canadian Dairy Commission, the Canadian Food Inspection Agency, Farm Credit Canada, and the National Farm Products Council - are working in concert to maintain the strength and productivity of the sector. One of the important priorities for the portfolio during the next two years will be the development of The Next Generation of Agriculture and Agri-Food Policy to provide an enduring foundation for profitability throughout the value chain.

The CGC supports the goals of the current Agriculture Policy Framework (APF) by ensuring grain and grain products meet appropriate standards while assisting Canadian grain producers in receiving maximum value for their products. The CGC continues to deliver these responsibilities in an industry that is changing at an unprecedented pace.

This report outlines the major challenges and responsibilities of the CGC and depicts how they are being addressed.

The Honourable Chuck Strahl
Minister, Agriculture and Agri-Food

Chief Commissioner's Message

Welcome to the Canadian Grain Commission's (CGC) 2005-2006 Departmental Performance Report.

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.

Canada has a strong reputation for supplying domestic and world markets with safe, high quality grain. The CGC's role in providing assurance of grain quality, quantity, and safety are integral in helping Canada maintain this reputation. As a result, the CGC plays a key role in achieving a "Canada Brand" for grains. The CGC is continually working alongside the Minister of Agriculture and Agri-Food's (AAFC) portfolio partners and the grain industry to maintain market competitiveness and add value to Canadian producers and Canada's grain quality assurance system.

The 2005-2006 fiscal year has presented the CGC with many challenges: continued pressures on Canada's visual grading system, increased consumer concerns about grain quality and grain safety assurances, and significant funding pressures. The CGC continued to deliver its mandate despite these challenges. Highlights of some CGC accomplishments during the past fiscal year include:

- Continued development and implementation of our integrated Wheat Quality Assurance Strategy (WQAS) to address the challenges of visually indistinguishable nonregistered wheat varieties and the constraints that kernel visual distinguishability (KVD) imposes on the development and handling of non-milling wheats. Progress on specific WQAS elements includes:
    - An international conference was held from June 27-30, 2005 to focus on the challenge of grain variety identification (VID) and the development of rapid, cost-effective testing and methods to meet changing grain quality assurance needs.
    - Continued regular monitoring of railcar unloads and vessel shipments of wheat to determine that shipments of Canadian grain have not been contaminated with nonregistered and/or visually indistinguishable potentially inferior varieties.
    - Participation in the Ineligible Varieties Working Group (IVWG) with members of the grain handling companies and the Canadian Wheat Board (CWB). The objective of the IVWG is to develop protocols for sampling, testing, and process controls that will minimize the incidence of incorrect certification.
    - The June 2005 release of a discussion document for stakeholder consultation and feedback. This proposal outlined the possiblilty of restructuring the wheat class system in order to offer more flexibility for the development and registration of higher yielding, non-milling varieties of wheat which curently cannot be registered because of KVD.
    - Redevelopment and delineation of planned next steps based on the 2005 consultation process. The new wheat class restructuring plan will be circulated in June 2006 for stakeholder comments on implementation.

- Implementation of the CGC "Licensing Compliance Plan". In May 2005, the CGC provided notice of its intention to require compliance to the licensing provisions of the *Canada Grain Act* (CGA) to enhance producer protection and strengthen the grain quality assurance system. In order to 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 streamlined the licensing renewal process and continued to evaluate alternative security instruments while still providing adequate financial protection to producers.
- Continued assessment of new RapidVisco Analyser (RVA™) technology. RVA technology offers an objective assessment of sprout damage in wheat by providing estimated falling number (FN) values quickly and simply. FN is the internationally accepted measure of alpha-amylase activity – an enzyme found in sprout-damaged wheat. RVA technology may provide the Canadian grain industry with the ability to segregate producer deliveries at the primary elevator. It may also provide a solution to precise, objective results in both country and terminal elevators where space for specialized laboratory equipment is limited and rapid turnaround is key. The CGC is currently chairing a working group that is examining how best to implement falling number into the wheat grading system should RVA technology prove to be viable.

I invite you to read this report to learn more about the CGC's accomplishments and how the organization carried out its mandate last year.

Chris Hamblin
Chief Commissioner
Canadian Grain Commission

Management Representation Statement

I submit for tabling in Parliament, the 2005-2006 *Departmental Performance Report* (DPR) 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 2005-2006 Estimates: Reports on Plans and Priorities and Departmental Performance Reports*:

- It adheres to the specific reporting requirements outlined in the Treasury Board Secretariat (TBS) guidance;
- It is based on the department's approved Program Activity Architecture (PAA) structure as reflected in its Management, Resources, and Results Structure (MRRS);
- It presents consistent, comprehensive, balanced and reliable 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 numbers from the *Estimates and the Public Accounts of Canada* in the DPR.

Gordon Miles
Chief Operating Officer

Program Activity Architecture (PAA) Crosswalk

The following table provides a crosswalk to show the changes in the CGC's reporting structure as applied to the strategic outcomes and the *Report on Plans and Priorities* commitments used for previous 2005-2006 reporting. The program activities reported in the CGC's 2005-2006 *Report on Plans and Priorities* will be reported as key programs or services in this document to be consistent with the CGC's PAA.

2005-2006					
	Program Activity 1	**Program Activity 2**	**Program Activity 3**	**Program Activity 4**	**Total**
Financial Information $(thousands)	Deliver inspection and testing services	Deliver weighing services	Conduct research to understand and measure grain quality	Protect producers' rights	
Strategic Outcome 1					
A grain quality assurance system that addresses the changing requirements of domestic and international grain markets	42 535				42 535
Strategic Outcome 2					
A grain quantity assurance system that addresses the changing needs of the grain industry		12 637			12 637
Strategic Outcome 3					
Research and development on grain quality that enhances the marketability of Canadian grain			10 077		10 077
Strategic Outcome 4					
Producers' rights are supported to ensure fair treatment within the grain handling system				4 895	4 895
Total	**42 535**	**12 637**	**10 077**	**4 895**	**70 144**

Summary Information

Reason for existence:

Mandate
The CGC derives its authority from the *Canada Grain Act* (CGA). 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.

Vision
The CGC vision is to be "A leader in delivering excellence and innovation in grain quality and quantity assurance, research, and producer protection."

Department Description and Accountability

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, 2006, the CGC employed 635 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.

Departmental Priorities during the 2005-2006 Reporting Period

1. Enhance Canada's grading system
2. Strengthen grain safety assurance
3. Address grain related trade issues
4. Enhance licensing and security
5. Implement the Management Accountability Framework (MAF)

Financial Resources ($ thousands)

Planned Spending	Total Authorities	Actual Spending
$68 188	$69 500	$70 144

Human Resources

Planned	Actual	Difference
667	635	32

Departmental Priorities – Status on Performance ($thousands)

2005-2006				
Status on Performance			**Planned Spending**	**Actual Spending**
Strategic Outcome 1: A grain quality assurance system that addresses the changing requirements of domestic and international grain markets				
Alignment to Government of Canada Outcomes: Economic – an innovative and knowledge-based economy				
Priority #1 Enhance Canada's grading system (ongoing)	**Program Activity:** Deliver inspection and testing services **Expected Result:** Increased buyer satisfaction through delivery of consistent Canadian grain quality and increased marketability of Canadian grain **Results:** see Section II	**Performance Status:** Successfully met	$7 830	$7 165
Priority #2 Strengthen grain safety assurance (ongoing)		**Performance Status:** Successfully met	$2 124	$1 360
Priority #3 Address grain related trade issues (ongoing)		**Performance Status:** Successfully met	$181	$185
Priority #5 Implement the MAF (ongoing)		**Performance Status:** Successfully met	$302	$309
Strategic Outcome 2: A grain quantity assurance system that addresses the changing needs of the grain industry				
Alignment to Government of Canada Outcomes: Economic – an innovative and knowledge-based economy				
Priority #3 Address grain related trade issues (ongoing)	**Program Activity**: Deliver weighing services **Expected Result:** Client satisfaction with CGC weighing and dispute resolution programs. **Results:** see Section II	**Performance Status:** Successfully met	$181	$185
Priority #5 Implement the MAF (ongoing)		**Performance Status:** Successfully met	$302	$309

Strategic Outcome 3: Research and development on grain quality that enhances the marketability of Canadian grain				
Alignment to Government of Canada Outcomes: Economic – an innovative and knowledge-based economy				
Priority #1 Enhance Canada's grading system (ongoing)	**Program Activity**: Conduct research to understand and measure grain quality **Expected Results:** Adaptation of new objective methods for quality assessment and grain safety assurance; adoption and publication of new methods by current standard setting organizations; provision of accurate quality assessment tools for new breeder lines. **Results:** see Section II	**Performance Status:** Successfully met	$2 141	$2 992
Priority #2 Strengthen grain safety assurance (ongoing)		**Performance Status:** Successfully met	$1 860	$2 601
Priority #3 Address grain related trade issues (ongoing)		**Performance Status:** Successfully met	$181	$185
Priority #5 Implement the MAF (ongoing)		**Performance Status:** Successfully met	$302	$309
Strategic Outcome 4: Producers' rights are supported to ensure fair treatment within the grain handling system				
Alignment to Government of Canada Outcomes: Economic – a fair and secure marketplace				
Priority #3 Address grain related trade issues (ongoing)	**Program Activity**: Protect producer's rights **Expected Result:** Increased producer satisfaction with the grain handling system. **Results:** see Section II	**Performance Status:** Successfully met	$181	$186
Priority #4 Enhance licensing and security (ongoing)		**Performance Status:** Successfully met	$1 388	$2 218
Priority #5 Implement the MAF (ongoing)		**Performance Status:** Successfully met	$302	$310

Summary of Departmental Performance

The Canadian grain industry operates in a climate of constant change marked by shifting international and domestic markets, technological advancements, and evolving end-user needs and preferences. Canada's quality assurance system must continually adapt to keep pace with the evolution of the global grain industry.

The CGC's departmental priorities were critical to making significant progress towards the realization of the CGC's strategic outcomes in the 2005-2006 reporting period. The priorities

were focused on, and committed to, delivering excellence and innovation in grain quality and quantity assurance, innovative research, and producer protection. These priorities and the resulting performance illustrate how the CGC has worked to meet both current and evolving industry needs.

The CGC is confident that the program activities and related key programs and services identified in Section II illustrate how the CGC strived to achieve its strategic outcomes and priorities during 2005-2006 while at the same time, contributing to the long-term interests of the Canadian grain industry. The relationships between CGC priorities, strategic outcomes, and program activities are further detailed in Section II.

Alignment of CGC Strategic Outcomes with Government of Canada Outcomes

Canada's Performance 2005 is the fifth annual report to Parliament on the federal government's contribution to Canada's performance as a nation, highlighting both strengths and areas for improvement. *Canada's Performance 2005* is structured around three main policy areas. These include: sustainable economy**,** Canada's social foundations, and Canada's place in the world. Within these policy areas there are thirteen long-term benefits to Canadians, referred to as Government of Canada outcomes, which the federal government is working towards. The whole of government framework groups departmental strategic outcomes and programs activities into these Government of Canada outcomes.

The CGC's strategic outcomes directly contribute to the pursuit of two Government of Canada outcomes. All four of the CGC's strategic outcomes are aligned with the key federal area of 'Canada's Economy'. Of these, three CGC strategic outcomes align with the long-term benefits of *An Innovative and Knowledge-based Economy*, while the fourth CGC strategic outcome is aligned with the long-term benefit of *A Secure and Fair Marketplace*. Canada is known worldwide as a supplier of quality grain and our edge in the marketplace has always been quality and consistency. In order to maintain this advantage in a climate of constant domestic and global change, the CGC's strategic outcomes are directly focused on, and committed to, delivering excellence and innovation in grain quality and quantity assurance, innovative research, and producer protection.

Challenges

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 continues 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 grain quality assurance system (GQAS).

The following outlines some the major challenges confronting the CGC during the 2005-2006 reporting period as they relate to the CGC's priorities. Addressing these challenges was vital in making significant progress towards the realization of not only the CGC's priorities and strategic outcomes, but also contributing to the Government of Canada outcomes.

Priority #1 – Enhance Canada's grading system

Canada's 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 increasingly 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. Enhancing Canada's grading system directly supports CGC's strategic outcome #1 (a grain quality assurance system that addresses the changing requirements of domestic and international grain markets), and strategic outcome #3 (research and development on grain quality that enhances the marketability of Canadian grain). Two of the main challenges associated with this priority are identified below:

1. Pressures on Canada's visual grading system

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.

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 continued to develop its integrated Wheat Quality Assurance Strategy (WQAS) that was initiated in December 2003. This strategy was composed of three elements:

1. *Development of rapid affordable variety identification technology*

   The CGC hosted a conference 'Variety Identification Technology Challenges - International Perspectives' in June 2005 to explore the evolution of grain quality assurance. Global expertise was brought together by the CGC to focus on the challenge of grain variety identification (VID) and the development of rapid, cost-effective testing and methods to meet changing grain quality assurance needs. The symposium served to educate stakeholders on the need for testing technology as well as the worldwide current state of VID technology. Additionally, the CGC grain research laboratory (GRL) currently has a five-year project underway to develop a DNA database for wheat and barley VID technology.

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

   The CGC continued to monitor wheat railcar unloads and vessel shipments for nonregistered varieties. The CGC is partnering with members of grain handling companies and the Canadian Wheat Board (CWB) to form an ineligible varieties working group. The intent of this working group is to investigate potential CGC monitoring and auditing of an industry Quality Management System of procedures that will ensure grain shipments meet the CGC's grading system requirements for ineligible varieties.

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

   The CGC released a discussion paper titled the *Future of Western Canadian Wheat Quality Assurance* in June 2005. This document included a proposal to restructure some of the minor wheat classes in order to facilitate the registration and handling of high yielding, non-milling wheats which currently cannot be registered because of KVD. For further information on the WQAS program refer to http://grainscanada.gc.ca/newsroom/news_releases/2003/2003-12-19-e.htm.

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 continues to develop rapid methods and systems that can assist in the identification of varieties of different quality types.

2. The development of genetically modified (GM) grains

Since GM varieties may not always be visually distinguishable from non-GM varieties, pressures have intensified on the visual grading system and the need to find an alternative method for identifying varieties for segregation. To address this challenge, the CGC is continuing to carry out research to validate GM detection methods. The ability to segregate GM from non-GM grains will benefit producers, exporters, and buyers of Canadian food products given that there is a growing requirement to label products.

Priority #2 – Strengthen grain safety assurance

Strengthening grain safety assurance supports CGC strategic outcome #1 (a grain quality assurance system that addresses the changing requirements of domestic and international grain markets) and strategic outcome #3 (research and development on grain quality that enhances the marketability of Canadian grain).

Many international grain buyers are investigating the exporting country of origin's practices and regulations concerning such factors as registered 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.

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. Many international buyers are establishing traceability requirements increasing the importance of research aimed at developing new or adapting existing analytical methods. For further information on this program refer to http://grainscanada.gc.ca/Grl/grain_safety/grain_safety-e.htm.

During the reporting period, the CGC continued work towards 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.

To ensure there are no gaps in domestic grain safety assurance, the CGC is examining shared and over-lapping responsibilities with such agencies as the Canadian Food Inspection Agency, Agriculture and Agri-Food Canada, Environment Canada, and Health Canada. During the

reporting period the CGC was committed to portfolio collaboration and developing operational and testing efficiencies to address grain safety concerns.

Priority #3 – Address grain related trade issues

Addressing grain related trade issues supports all CGC strategic outcomes #1 through #4 (a grain quality assurance system that addresses the changing requirements of domestic and international grain markets, a grain quantity assurance system that addresses the changing needs of the grain industry, research and development on grain quality that enhances the marketability of Canadian grain, and producers rights are supported to ensure fair treatment within the grain handling system). Some of the challenges associated with this priority are identified below:

1. Process Verification

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

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 CGC also continued to develop and implement the Canadian Identity Preserved Recognition System (CIPRS) which 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.

2. World Trade Organization Panel Ruling

In September 2004 the World Trade Organization (WTO) Dispute Settlement Body adopted the original WTO Panel ruling with respect to Canada's policies on the handling of imported grain. The original WTO Panel found that the need to seek the CGC's approval for the entry of imported grain into licensed elevators and a mixing authorization were additional requirements for imported grain that were not imposed on some domestic grain, both of which were in breach of national treatment obligations.

Officials from the CGC, Agriculture and Agri-Food Canada, Transport Canada and International Trade Canada developed an integrated approach to bring Canada into compliance with its WTO grain related obligations by August 2005. For the grain handling issues, the proposed changes repealed both the entry authorization for licensed grain elevators to accept imported grain, as well as the mixing restrictions in the CGA. Instead, reporting and identification requirements have been enacted to allow the CGC to monitor that Canadian grain grades are not being applied to imported grain or mixes of Canadian and imported grain. These changes will support and

maintain the integrity and policy objectives of the Canadian GQAS and facilitate Canada's compliance with its WTO obligations with respect to the treatment of imported grain.

3. Genetically Modified Organisms (GMs)

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. This ability will also benefit exporters of Canadian food products given the growing requirement to label products.

To ensure there are no gaps in GM assessment, there is a continued need to examine shared and overlapping responsibilities with such agencies as the Canadian Food Inspection Agency, Agriculture and Agri-Food Canada, Environment Canada and Health Canada. During the reporting period the CGC was committed to portfolio collaboration and developing operational and testing efficiencies to address GM concerns.

Priority #4 – Enhance licensing and security

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 GQAS. 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 has been working toward reducing the costs and administrative requirements of licensees. For example, the CGC implemented measures to streamline the licence renewal process and continues to explore and evaluate alternative security instruments while still providing adequate financial protection to producers.

Enhancing licensing and security directly align the CGC with its legislative obligations and support CGC strategic outcome #4 (producers' rights are supported to ensure fair treatment within the grain handling system). In addition, this priority also supports the farm profitability and the business risk management pillars of the Agricultural Policy Framework (APF).

Priority #5 – Implement the Management Accountability Framework

The CGC is committed to fulfilling its responsibility for government wide initiatives in the most efficient and effective manner possible. One of the CGC priorities during the reporting period was implementation of the Management Accountability Framework (MAF). The MAF provides a structure for dialogue between the Treasury Board Secretariat and government departments on the state of management practices in the public service and on priorities for management improvement. As an overall "umbrella" framework, it brings together the various improvement initiatives such as Human Resource Modernization, Service Improvement, and Integrated Risk Management into a comprehensive program for action.

As the federal government agency responsible under the CGA for regulating grain handling, the CGC strives to plan and carry out the MAF in its everyday work. Improved financial controls, for example, have contributed to improved stewardship. Success in implementing the MAF supports the CGC in achieving all of its strategic outcomes and program activities. During the reporting period the CGC focused on governance, technology and innovation, and enhanced accountability through enforcement of grain dealer licensing.

SECTION II – ANALYSIS OF PROGRAM ACTIVITIES BY STRATEGIC OUTCOME

Analysis by Program Activity

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 (identified as priorities in the CGC's *2005-2006 Report on Plans and Priorities* (RPP)) and resources required. Each program activity has associated ongoing key programs or services with their own expected results. The CGC's *2005-2006 RPP* identified the planned results and timeframes for each key program or service. This document details the CGC's achievements for each program activity and each key program or service during the 2005-2006 reporting period.

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

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):

Planned Spending	Authorities	Actual Spending
$44 808	$45 671	$42 535

Human Resources:

Planned	Authorities	Actual
438	438	395

An effective grain quality assurance system supports 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 are 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.

Delivering inspection and testing services supports departmental Priority #1 (enhance Canada's grading system), Priority #2 (strengthen grain safety assurance), and Priority #3 (address grain related trade issues). This program activity supports not only the ongoing delivery of the CGC mandate, but also positions Canada with a sustainable competitive advantage in global grain markets. The CGC's success in implementing the Management Accountability Framework (Priority #5) supports the organization in achieving all of its strategic outcomes and program activities.

The overall expected result of this program activity is increased buyer satisfaction through delivery of consistent Canadian grain quality and increased marketability of Canadian grain. The following related key programs and services provide details on how the CGC was successful in meeting the expected outcomes and priorities associated with delivering inspection and testing services during the 2005-2006 reporting period.

Key Program or Service:

1. Delivery of inspection services that meet the legislative mandate of the *Canada Grain Act* and the requirements of the grain industry from producers to customers.

Financial Resources ($ thousands):

Planned Spending	Authorities	Actual Spending
$33 680	$34 329	$34 331

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 meet 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 expected result of this key program is accurate grades and ongoing data collection and analysis that support 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 success in achieving results with respect to departmental Priorities #1 and #3.

To measure its success in delivering this key program and achieving the expected results, the CGC used 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

The following ongoing activities and programs are integral components of delivering inspection services that meet the legislative mandate of the CGA and the requirements of the grain industry. Achievements during the 2005-2006 reporting period are provided to illustrate the CGC's success in meeting the expected results of this key program:

2005-2006 Related Activities	2005-2006 Results
Deliver a Quality Management System (maintain ISO certification) http://grainscanada.gc.ca/newsroom/news_releases/2004/2004-03-11-e.htm	• The Industry Services Division of the CGC is ISO 9001:2000 certified. An internal audit was conducted in October 2005. A total of 114 inspection related improvement requests were submitted by staff as a result of audits or general interest in the procedures.
Develop, change, and set grain quality standards as well as generate and distribute grain quality data and information in partnership with the grain industry through the Western and Eastern Grain Standards Committee meetings http://grainscanada.gc.ca/regulatory/standards/standards-e.htm	• Semi-annual meetings of the Western Grain Standards Committee (WGSC) were held in April 2005 and November 2005. • Semi-annual meetings of the Eastern Grain Standards Committee (EGSC) were held in June 2005 and November 2005. • Seventeen standards and guides were prepared by the CGC, approved by the WGSC, and released in November to the grain industry in western Canada. Approved all other pre-existing standards and guides for continued use in the 2005-2006 crop year. • The EGSC approved 7 new CGC prepared guides for grain industry use in eastern Canada. Approved all other pre-existing standards and guides for continued use in the 2005-2006 crop year. • Approved 3 standards with a Canada designation (used across Canada).

2005-2006 Related Activities	2005-2006 Results
Manage the three levels of sample re-inspection including the Grain Appeal Tribunal samples http://grainscanada.gc.ca/regulatory/grainappeal/tribunal-e.htm http://grainscanada.gc.ca/forms/is/i-70-70b-e.htm	• In 2005-2006, the CGC received 32,236 requests appealing the official inspection of grain. The Grain Appeal Tribunal reviewed a total of 3,197 samples - 470 grades were changed while 2,727 grades were upheld. The Chief Grain Inspector reviewed 6,712 samples and 855 grades were changed while 5,857 grades were upheld. At the regional level, 22,327 samples were reviewed. Of these, 6,543 grades were changed and 15,784 grades were upheld. • The Chief Grain Inspector has final authority related to the re-inspection of grades representing unofficial samples. In 2005-2006, 3,722 samples were submitted to the CGC by producers or the grain industry for grade advice. Of these, 121 samples were requested to be re-inspected of which 42 grades were changed.
Administer a national grain sanitation program	• Under the terms of a letter of agreement with the Canadian Food Inspection Agency (CFIA), the CGC conducted a total of 238 elevator inspections across Canada, inspected 15 vessels in the Port of Churchill, and provided information on 2,174 submitted samples that allowed for phytosanitary certificates to be issued by CFIA. • The CGC witnessed fumigation of 5 vessels in the eastern region. • A total of 113,089 grain samples were monitored for infestation in the regional labs across Canada. This total included samples: resulting from elevator inspections on behalf of CFIA, obtained from railcar unloads into terminal and transfer elevators, submitted by producers, from export cargoes, representing shipments from primary elevators where the CGC provided onsite inspection, and submitted by grain companies.
Monitor the grading system and verification processes	• The CGC, under its National Quality Monitoring program, conducts compliance audits to monitor the application of quality assessment procedures and instructions. This program enables the CGC to monitor quality assurance consistency between inspectors in a region and between regions. • During 2005-2006, the IS monitoring unit re-analyzed 10,830 samples and provided feedback to staff training units and individual inspectors as required. This total included 5,551 samples representative of official railcar unloads, 1,853 incremental samples taken throughout the loading of vessel cargoes, 803 samples representative of grain transferred to bins during official weigh-overs of grain stocks, 1,665 samples submitted by producers and grain companies, and 955 samples representing export by railcar to Mexico and the U.S.
Manage a complaint resolution process for quality of grain cargoes and conduct unload investigations upon shipper and producer request	• Certified the quality of 998 cargoes and investigated complaints from buyers regarding 30 of these cargoes. Upon thorough investigation of the loading process, including analysis of cargo samples and vessel loading documentation, the CGC's Chief Grain Inspector concluded the complaints were unsubstantiated.
Issue official memoranda to trade on grade quality issues	• A total of 15 memoranda to the trade were issued during the reporting period. These included the notification of changes to the Official Grain Grading Guide (OGGG), excreta detection in grain,

2005-2006 Related Activities	2005-2006 Results
	condominium storage, variety designation lists, grain on the ground, moisture testing for corn, notification of new forms on CGC website, severely sprouted tolerances, and elevator licensing.
Manage and update data in the grain inventory accounting system (GIAS) http://www.grainscanada.gc.ca/prodser/gias/gias-e.htm	• Continued to manage GIAS. GIAS provides an electronic method of transferring accounting information related to grain stocks between the CGC, the Canadian Wheat Board, and all grain handling terminals. It also generates the data necessary for compiling and analyzing grain handling information for weigh-over applications. • During 2005-2006, GIAS effectively ensured the accuracy of terminal elevator transactions.
Transfer technology in the form of validated methods to industry and producers	• Met with various groups to discuss the potential implementation of new technology such as Acurum, NIR for chlorophyll, and rapid viscosity analysis (RVA). • The CGC advised the industry of our decision to convert our official use of moisture machines to model 1200A from model 919/3.5.
Inspect grain prior to receipt at licensed terminal elevators and prior to export from primary, transfer, or terminal elevators	• Inspected 239,834 railcars upon receipt at licensed terminal and transfer elevators. • Inspected 20,448 railcars loaded from primary elevators prior to receipt at licensed terminal and transfer elevators. • Inspected 22,006,488 tonnes of grain for export from terminal and transfer elevators.
Use grain standards to grade grain	• Standards and guides provide a visual reference tool to assist CGC and industry inspectors. Thirty-eight complete sets (17 samples per set) of standards and guides were distributed to CGC staff across the country. • Fifty companies requested sets of standards and guides, some requested multiple sets. A total of 110 sets of standards and guides were distributed to companies. • Increased sample material collected for development of the standards and guides allowed the CGC to provide the requested number of sets.
Provision of certificates and documentation related to the inspection of grain exports	• Provided 2,873 certificate finals, 18,651 letters of assurance and analysis, 310 official probe certificates, and certified 27,751 samples submitted for grading by producers and the grain industry.
Review resources for the evolving domestic industry	• Reviewed specific quality traits and grading factors that were perceived as problematic through discussions with representatives of the domestic industry.
Offer technical training to the industry	• CGC training staff performed industry training in most regions, ranging from specific grading factors to complete grading training on specific commodities. Not all requests could be accommodated, as training for CGC staff took precedence. • The CGC Bayport region was involved in industry training and performed 8 technical sessions for individual clients. • The CGC Thunder Bay region provided 2 technical sessions for individual clients.

2005-2006 Related Activities	2005-2006 Results
	• The CGC Prairie region provided 1 training course for producers and company representatives through the Saskatchewan Institute of Applied Science and Technology. • CGC Head Office delivered two formal training sessions and offered a number of ad-hoc training sessions for industry with a specific grading factor focus. In addition, an average of 1 day per month was provided for Canadian International Grain Institute groups and grading training was offered to overseas clients. Industry Services inspectors travelled overseas on 7 occasions to either investigate, train, or convey the quality of Canadian grain to Canada's customers.

2. Scientific and technical support of the quality assurance system.

Financial Resources ($ thousands):

Planned Spending	Authorities	Actual Spending
$7 081	$7 217	$4 213

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

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, #2, and #3.

To measure its success in delivering this program and achieving the expected results, the CGC used 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)

The following ongoing activities and related programs are integral components of providing scientific and technical support for the quality assurance system. Achievements during the 2005-2006 reporting period are provided to illustrate the CGC's success in meeting the expected results of this key program:

2005-2006 Related Activities	2005-2006 Results
Assess new crop quality (harvest survey) 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	• Provided planning, producer contact, sample handling, sorting and general analytical services to support the new crop quality survey. • Completed the annual harvest survey for cereal grains on time and under budget. • Published both the Wheat Survey Bulletin and the data used for the CWB/CGC hard copy wheat bulletin on the CGC web-site. http://grainscanada.gc.ca/quality/Wheat/cdnwhtmenu-e.htm • Completed and made available in hard copy a harvest survey of the quality of malting barley. • Grain biology performed an analysis of canola/mustard types by visual assessment. http://grainscanada.gc.ca/quality/Canola/canolamenu-e.htm • Completed harvest surveys for canola, flax, solin, and mustard seed and provided important information to the trade and customers. http://grainscanada.gc.ca/Quality/exports-e.htm • Provided a harvest survey on pulses (red and green lentils, peas, chickpeas) to support the new crop. • Tested samples of the 2005 wheat crop for the presence of fusarium mycotoxins to check on the types and levels of mycotoxins being produced. • Analyzed samples of 2005 flax, mustard and soybeans for the presence of cadmium to further establish the levels present in these crops and the relationship to crop growing district. • Completed an APF funded project to study the levels of geographical distribution of the mycotoxin ochratoxin A in carlot shipments of several classes of Canadian wheat. Data generated from these projects (3000 samples) serves as the scientific basis for official assurances issued to marketers, processors and buyers concerning the ability of Canadian grains to meet grain safety requirements.
Ongoing monitoring of domestic and export cargoes to ensure Canadian grain is meeting tolerances in	• Completed quality monitoring of wheat cargoes for monthly composites of Canada Western Red Spring (CWRS) wheat and Canada Western Amber Durum (CWAD) shipments, and third and fourth quarter bi-annual composites of exported wheat for all available classes. • Evaluated all cargoes of malting barley out of the west coast for

2005-2006 Related Activities	2005-2006 Results
terms of grain safety and end-use quality, e.g., toxic residues, bacterial contamination, weed seeds, insects, malting quality for specific barley varieties	malting quality. • Continued monitoring on vessel loading samples of canola, flax, and soybean. Monitoring also continued on vessel loading samples of randomly selected cargo shipments of Canadian cereal grain, oilseed and pulse crops for the presence of pesticide residue, mycotoxin and trace elements. • Continued to provide an analytical service for CGC and trade grain inspectors for testing samples of grain suspected of being contaminated with a toxic substance and provided advice and assistance on disposal. • During 2005-2006, 28 railcars and 19 parcels identified by trade grain inspectors were marked for suspect treated seed from a variety of commodities. Of these samples, 6 railcars and 8 submitted samples tested positive for seed treatment. All carlots, except one, were released as the concentration of treatment was determined to be below Health Canada's (HC) maximum residue limit (MRL). Two trade parcels showed concentrations of treated seed above the HC MRL. Bacterial infection, fungal infection and marker dye accounted for the stained kernels in the other samples. For the one railcar of peas that contained in excess of the allowable limits, the CGC directed and verified that the grain was removed from the food and feed chain. • Developed a protocol for a polymerase chain reaction (PCR) based method to detect the presence of 3 bacterial pathogens in grain. • For the 2005-2006 crop year, safety monitoring of Canadian grain exports entailed 195 pesticide residues, 25 mycotoxins and 10 trace elements/fumigant residues. As part of this program, a total of 2,893 pesticide residues and mycotoxin determinations and 2,441 trace element (and fumigant residue testing) determinations were carried out on vessel loading samples of Canadian cereal grains, oilseeds and pulse crops to generate data necessary to demonstrate that Canadian grains met foreign grain safety standards. • Monitored foreign material in field peas and provided this information to the Saskatchewan and Alberta Pulse Growers Associations to meet their end-use quality requirements.
Develop strategy, including liaison with 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	• Continued to liaise with AAFC's Market and Industry Services Branch on matters relating to developments in the European Union (EU) with respect to maximum limits for toxic substances in grains and inspection and testing protocols to ensure continued access for Canadian grain into EU markets. • Continued to liaise with the CWB on matters related to the new Japanese Food Sanitation legislation. • Continued to liaise with International Trade Canada in working towards a resolution of the highly restrictive inspection and testing protocols imposed by the Government of Greece for wheat imports from non-EU countries. • Shared results of the CGC APF ochratoxin A baseline study with the CWB to determine a strategy for dealing with the challenges associated with the presence of this mycotoxin in Canadian grain exports.

2005-2006 Related Activities	2005-2006 Results
	• Continued to monitor standards being developed by CODEX for pesticide residues, mycotoxins, and heavy metals in grain to determine potential implications for international grain trading.
Evaluate technology to measure end-use quality	• Completed the first year of a three year cooperative project led by CIGI, with Alberta Agriculture, AAFC, and the CGC to develop a commercial NIR calibration to measure metabolisable energy and other nutritional factors prior to incorporation of grains into animal feed. • Studied the impact of bleaching on the dehulling quality of red lentils. • Undertook objective measurement of barley kernel colour and size to predict end use malt quality. • Evaluated Rapid Visco Analyzer (RVA) technology in port laboratories to objectively assess sprout damage in an operational environment.
Provide technical advice, information, and complaint resolution on grain quality (including annual impact of disease and weather damage) and end uses to buyers, industry and producers	• Certified the quality and quantity of 998 cargoes and investigated complaints from buyers regarding 30 of these cargoes. Upon thorough investigation of the loading process, including analysis of cargo samples and vessel loading documentation, the CGC's Chief Grain Inspector or Chief of Weighing concluded that the complaints were unsubstantiated and provided the results to the exporters. • Provided information on the quality of new crop year wheat and barley to Japanese processors as part of the annual CGC visit with the Japanese industry. • Generated many reports and letters upon request outlining weed seed profiles of various crops by type and grade. • Conducted preliminary investigation of the impact of ruptured wheat kernels and their levels on the quality of end products. • Performed detailed studies on the influence of Hard Vitreous Kernel (HVK) levels on the quality of wheat end products for CWRS and CWHWS. Forwarded results to the WGSC for decision in anticipation of dropping this grading factor.

3. A grain quality assurance system able to deal with both visually distinguishable and indistinguishable varieties and the capacity to segregate grain by specific characteristics.

Financial Resources ($ thousands):

Planned Spending	Authorities	Actual Spending
$4 047	$4 125	$3 991

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 overall expected result of a grain quality assurance system able to deal with both visually distinguishable and indistinguishable varieties and with the capacity to segregate grain by

specific characteristics 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 Priorities #1 and #3.

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

- Feedback from the annual meetings of the Eastern and Western Grain 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 from domestic buyers and processors

The following ongoing activities and programs are integral to the modification of Canada's GQAS to meet changing requirements. Achievements during the 2005-2006 reporting period are provided to illustrate the CGC's success in meeting the expected results of this key program:

2005-2006 Related Activities	2005-2006 Results
Wheat Quality Assurance Strategy Element #1: Increase monitoring of railcar and vessel shipments for nonregistered wheat varieties	• Monitored a total of 480 export vessel cargoes of CWRS wheat for visually indistinguishable non-registered varieties and other classes. • Tested a total of 1,397 CWRS daily port averages for non-registered varieties. The majority of these tests were the result of an Alsen monitoring program that was implemented to determine the presence of this non-registered wheat variety in grain prior to shipment from Canada.
Wheat Quality Assurance Strategy Element #2: Develop effective, timely, affordable variety identification technology	• The CGC held a varietal identification conference in June 2005. http://grainscanada.gc.ca/varietyid/conference05-e.htm • Initiated research on DNA-based analyses of variety composition of ground samples of grain with a focus on two quantitative technologies: the Invader Assay and real-time polymerase chain reaction. Variety composition is currently determined through analysis of multiple single kernels.
Wheat Quality Assurance Strategy Element #3: Develop a proposal to restructure the western wheat classes	• Developed a proposal to modify the wheat class system to offer more flexibility for the development and registration of higher yielding, non-milling quality wheat varieties that belong to the minor wheat classes, as well as maintaining the quality of the major classes. • The CGC proposal contains six elements: o The major classes (CWRS and CWAD) remain unchanged in terms of variety registration requirements, including KVD. o Two new general-purpose minor classes of wheat would be established: Canada Western Red Multipurpose (CWRM) and Canada Western White Multipurpose (CWWM). These new classes would be composed of varieties belonging to the current minor wheat classes. CWRM would contain the varieties currently belonging to Canada Prairie Spring Red (CPSR), Canada Western Red Winter (CWRW) and Canada Western Extra Strong (CWES). CWWM would contain the varieties currently belonging to Canada Western Soft White Spring (CWSW), Canada

2005-2006 Related Activities	2005-2006 Results
	Western Hard White (CWHW) and Canada Prairie Soft White (CPSW). o The existing minor classes (CPSR, CWRW, CWES, CWSW, CWHW, CPSW) would continue to be used, but only for variety specific or contract programs. The class specification would only be applied to lots of grain whose varieties are listed on a CGC variety eligibility list (only varieties of high milling quality). o Variety registration quality, agronomic, and disease requirements would be retained for the existing minor classes in order to meet marketing and processing requirements. KVD among these classes would be removed as a necessary criterion for registration. o KVD requirements would still apply to protect CWRS and CWAD. That is, varieties in the minor classes could resemble each other but would not be permitted to resemble CWAD or CWRS. • In June 2005, mailed 600 copies of the proposal to industry stakeholders seeking feedback by December 2005. A total of 40 written submissions were received.
Develop process verification standards to allow for handling of ineligible or visually indistinguishable varieties	• Continued to work with industry to expand the number of companies (21) certified under the CGC's CIPRS program. • Developed a CIPRS+ program to take into account HACCP principles. • Leading an industry group to develop a model for handling contract registered varieties. • Continued participation in the Ineligible Varieties Working Group (IVWG), which includes grain marketers and handlers, with the objective of implementing a quality management system (QMS). A QMS would consist of variety declarations by producers, and industry and CGC varietal monitoring to verify that cargoes contain acceptable varieties for the grade certified. • The CGC IS and GRL divisions worked together to collect samples and conduct testing on railcar unloads and vessel cargoes to check that visually indistinguishable varieties did not contaminate bulk grain shipments. • Performed analyses on variety specific shipments whose identity required preservation as part of contractual industry agreements.
Continue to develop, implement and evaluate DNA, strip test, and ELIZA test methods for variety identification, e.g., adventitious presence in grain shipments, GMO detection	• The GRL participated and performed well in the 4th International Seed Testing Association (ISTA) Proficiency Test on GMO Testing on Soybean. • A research project was initiated to develop and/or validate qualitative and quantitative PCR methods for detection and quantification of GM canola events. • Carried out an APF funded project '*Adventitious Presence: review of detection methods, tolerance/traceability requirements and visit of GM laboratories*'. As part of this project, two GRL scientists visited well-established EU laboratories involved in development and implementation of GM detection methods. • Initiated research on DNA-based analyses of variety composition of ground samples of grain with a focus on two quantitative technologies: the Invader Assay and real-time PCR. Variety composition is currently determined through analysis of multiple single kernels.
Provide grain inspection services on behalf of the US Federal Grain Inspection Service in eastern Canada as per the Memorandum of Service	• CGC personnel in the Eastern region facilitated the movement of U.S. grain through the ports of Montreal, Quebec City, Baie Comeau, and Port Cartier by providing 67 vessel hold inspections, 55 phytosanitary inspections, and witnessing 5 fumigations.

2005-2006 Related Activities	2005-2006 Results
Operate the Canadian Identity Preserved Recognition System (CIPRS) http://www.grainscanada.gc.ca/pubs/brochures/ip_recognition/ip_recognition04-e.htm	• Twenty-one companies have CIPRS certified IP programs, and 3 more are currently in the certification process. • Developed CIPRS+, which incorporates HACCP-based requirements, in response to increased buyer demand for food safety assurances.
Implement a strategy to address WTO Panel ruling with respect to Canada's policies on imported grain	• The WTO ruling to facilitate the movement of non-Canadian grains through Canadian elevators has been in effect since August 1, 2005. A strategy was implemented to facilitate the movement of non-Canadian grains through Canadian elevators. Based on this strategy, operators of licensed elevators are able to a) mix grain of any grade with grain of any other grade and b) no longer need to seek the CGC's authorization before receiving imported grain.
The CGC will work with stakeholders to develop an imported grain protocol	• Continued 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. Ongoing discussions continued with appropriate government portfolio organizations and relevant industry stakeholders to move forward with examining and refining an integrated approach to handling imported grain.

Strategic Outcome 2: A grain quantity assurance system that addresses the changing requirements of the grain industry.

Program Activity: *Deliver weighing services*

Financial Resources ($ thousands):

Planned Spending	Authorities	Actual Spending
$13 003	$13 254	$12 638

Human Resources:

Planned	Authorities	Actual
127	127	120

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. This benefits both producers and the grain industry. Daily provision of grain weighing services is supported by a strong technical base and forms a major part of the CGC's quantity assurance system as well as supports the quality assurance system.

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.

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 departmental Priority #3 (address grain related trade issues). The CGC's success in implementing the Management Accountability Framework (Priority #5) supports the organization in achieving all of its strategic outcomes and program activities.

The overall expected result of this program activity is to implement an improved strategy to monitor client satisfaction with the CGC weighing and dispute resolution programs. The following related key programs and services provide details on how the CGC was successful during the 2005-2006 reporting period in meeting the expected outcomes and priorities associated with delivering weighing services.

Key Program or Service

1. Delivery of weighing services that meet the legislative mandate of the *Canada Grain Act* and the requirements of the grain industry from producers to customers.

Financial Resources ($ thousands):

Planned Spending	Authorities	Actual Spending
$12 285	$12 522	$11 875

The CGC delivers weighing services to meet the legislative mandate of the CGA and the 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 service procedures as necessary through Improvement Requests (IR), and also allows the CGC to identify or adjust training requirements.

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 Priority #3.

To measure its success in delivering this key program and achieving the expected results, the CGC used 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 dispute resolution system (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 used of the GIAS and the number of adjustments to grain inventories

The following ongoing activities and programs are integral components of delivering weighing services to meet the legislative mandate of the CGA and the needs of the grain industry from producers to customers. Achievements during the 2005-2006 reporting period are provided to illustrate the CGC's success in meeting the expected results of this key program:

2005-2006 Related Activities	2005-2006 Results
Deliver a Quantity Management System (maintain ISO certification) http://grainscanada.gc.ca/newsroom/news_releases/2004/2004-03-11-e.htm	• Maintained and enhanced the effective delivery of weighing services with CGC staff identifying ongoing corrective measures. A total of 39 formal Improvement Requests (IR) were submitted associated with the relative procedures in the Quality Management System.
Manage a complaint resolution process for quantity of export grain cargoes	• Conducted weight-related investigations of 9 export and 8 domestic shipments. Upon thorough investigation of the loading process, including analysis of loading documentation, the CGC's Chief of Weighing concluded that the CGC's original statement of quantity for all these shipments were correct. • The CGC's DRS provided essential information regarding the condition of railcars in weight related queries of U.S. and Mexico grain shipments. This information was used to conclude investigations of export grain shipments by rail.
Manage an unload investigation program to support a dispute resolution process for domestic producers and shippers	• Conducted weight-related investigations on 847 railcars. • 679 railcars had weights officially apportioned due to the mixing of grain from two or more railcars in a common grain reception area as the cars were unloaded. • Due to incidents around un-recovered spills, 62 cars required verification of origin weights and subsequent assignment of discharge weights. • Completed 828 W-25 exception reports for railcars that arrived at unloading facilities with low or empty compartments. • While the number of successful claims is proprietary to the originator, the grain industry regards CGC DRS information as vital in a successful claim.
Collect and distribute railcar data and information, and generate grain quantity data for use by the industry	• The CGC's grain receival and outward weighing programs provided essential quantity data used by the grain industry, railways, Canada Ports Clearance, and the CGC in managing grain inventories and for statistical publications.

2005-2006 Related Activities	2005-2006 Results
Conduct official weigh-overs of all stocks in store at licensed terminal and transfer elevators at prescribed intervals	• Conducted 11 official weigh-overs. The results were deemed acceptable based on the permissible tolerances identified in the *Canada Grain Regulations* (CGR).
Management of the grain inventory accounting system for the industry (GIAS) http://grainscanada.gc.ca/prodser/gias/gias-e.htm	• Verified the accuracy of terminal and transfer elevator transactions by balancing monthly and annual stocks with licensees. • Continued to provide overall stock positions to terminal and transfer licensees to support inventory control for the efficient marketing of Canadian grain. • Processed over 8,000 ES 10's to officially change information on an unloaded car.
Develop monitoring systems for weighing processes	• The systems and protocols within CGC operations and dispute resolution units contributed to the identification of 6 instances where weighing processes needed to be addressed.
Continue to develop processes for grain flow verification	• Continued the ongoing internal process review to support our ability to monitor the effectiveness of facilities in preserving the identity of parcels of grain. This review and subsequent action plans are inherent in the CGC QMS and contribute to industry's efforts in shipping identity preserved grain. • The dispute resolution unit tracked 676 partially unloaded railcars through to completion. At times mechanical difficulties with railcars require correction before the complete car can be unloaded. As a result, the weighing unit tracked the separate unload portions and combined them to account for the completed weight of a railcar.
Establish and maintain grain quantity assurance standards	• CGC quantity assurance standards were regularly reviewed and supported through the QMS and the National Weighing Training programs.
Weigh grain prior to shipment from primary elevator	• A total of 1,531 railcars destined for Mexico were officially weighed at primary elevators. • A total of 805 railcars destined for the U.S. were officially weighed at primary elevators.
Weigh grain prior to receipt at licensed terminal elevators and prior to export from terminal or transfer elevators	• A total of 262,852 railcar unloads were monitored and certified upon receipt at licensed terminal and transfer elevators. • 22,088,745 tonnes of grain was monitored and certified prior to export from terminal and transfer elevators.

2. Technical support of the quantity assurance system.

Financial Resources ($ thousands):

Planned Spending	Authorities	Actual Spending
$718	$732	$763

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

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 #3.

To measure its success in delivering this key program and achieving the expected results, the CGC used 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

The following ongoing activities and programs are necessary components of providing technical support of the quantity assurance system. Achievements during the 2005-2006 reporting period are provided to illustrate the CGC's success in meeting the expected results of this key program:

2005-2006 Related Activities	2005-2006 Results
Deliver a Quality Management System (maintain ISO certification) http://grainscanada.gc.ca/newsroom/news_releases/2004/2004-03-11-e.htm	• Continued to monitor and enhance the effective delivery of scale inspection and grain accounting services following the QMS re-certification of Industry Services functions in December 2003. • IS staff conducted an internal maintenance audit in October 2005. Staff identified corrective measures and submitted 14 Improvement Requests (IR) related to the weighing systems inspection and registration and cancellation procedures in the QMS.
Maintain a regular weighing systems inspection program	• CGC Weighing Systems Inspectors conducted 601 weighing systems device inspections and in 279 instances, the device required an adjustment or servicing. Of the 279 devices adjusted, 30% of these (84) were found to be operating with measurement errors of greater than 0.10%.
Provide technical advice and complaint resolution on grain quantity	• Provided timely weighing system inspection data for 847 inward and 17 outward quantity investigations to determine possible impacts on the quantity of shipments. • Shared technical advice with licensees as required.
Generate, collect and distribute grain quantity data and information http://grainscanada.gc.ca/Information/stats-e.htm	• Official weighing data (generated by the weighing devices and systems monitored by the CGC) enabled the grain handling industry to market Canadian grain and to make effective decisions. • Provided industry access to various forms of data (GIAS, weigh-over and MRS information) that contributed to the effectiveness of the grain handling system in Canada.

Strategic Outcome 3: Research and development on grain quality that enhances the marketability of Canadian grain.

Program Activity: *Conduct research to understand and measure grain quality*

Financial Resources ($ thousands):

Planned Spending	Authorities	Actual Spending
$7 210	$7 348	$10 076

Human Resources:

Planned	Authorities	Actual
71	71	82

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.

Conducting research to understand and measure grain quality directly supports departmental Priorities #1, #2 and #3. Undertaking, sponsoring and promoting grain related research enhances Canada's grading system (Priority #1), strengthens grain safety assurance (Priority #2), and facilitates effective marketing of Canadian grain by addressing grain related trade issues (Priority #3). 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. Addressing Priority #2 is critical in order for the CGC to fulfill its statutory mandate and continue ongoing research focused on understanding and measuring grain safety. The CGC's success in implementing the Management Accountability Framework (Priority #5) supports the organization in achieving all of its strategic outcomes and program activities.

The expected results of this program activity 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. The following related key programs and services provide details on how the CGC was successful during the 2005-2006 reporting period in meeting the expected outcomes and priorities associated with conducting research to understand and measure grain quality.

Key Program or Service

1. Research that supports the grain quality assurance system.

Financial Resources ($ thousands):

Planned Spending	Authorities	Actual Spending
$3 244	$3 307	$4 534

Non-visual methods for the assessment of grain quality are becoming increasingly important in terms of maximizing the return on investment to each segment within the 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 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 directly supports departmental Priority #1 and #3.

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

- 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
- The response by end-users to the quality assessment of new varieties and harvest survey information
- Technology transfer to private sector users, other government agencies, universities and international organizations

The following ongoing activities are integral components of researching methods to measure grain quality. Achievements during the 2005-2006 reporting period are provided to illustrate the CGC's success in meeting the expected results of this key program:

2005-2006 Related Activities	2005-2006 Results
Develop 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, viscosity, and pulse cooking quality http://www.grainscanada.gc.ca/quality/tests/tests-e.htm	• Developed an automated Mattson Cooker device for determining cooking time of pulses. http://grainscanada.gc.ca/qualit_matter/mattson_cooker/mattson_cooker-e.htm • Validated an objective imaging method, developed in collaboration with the research centre in Sicily, Italy for determining spaghetti colour and speckiness. • Developed and tested an objective imaging method for measuring lentil seed curvature and surface wrinkles to characterize seed morphology.
Research new methods for assessing intrinsic grain quality	• Compared objective methods for determining barley kernel size and colour with end-use malt quality. http://grainscanada.gc.ca/pubs/research/edney_m/predict_quality/abstract-e.htm • Developed NIR calibrations for predicting protein content in peas and lentils. • Developed preliminary calibrations using NIR to predict starch content and seed weight of peas and lentils.
Evaluate quality characteristics of breeders' new varieties	• Malted and analyzed close to 90 samples from the 2005 barley breeder lines for quality.
Research which varieties of Canadian grain function most effectively to make various domestic and international end products	• Evaluated plant breeder lines to determine those that function the most effectively in various food products. • Investigated the influence of environment and genotypes on quality factors relevant to international markets.
Develop internationally accepted methods for evaluation of grains, oilseeds and pulse quality	• Developed a method for determining water absorption of pulses. Conducted a collaborative study and validated the methodology. • The International Organization for Standard (ISO) adopted a CGC-developed method for determining moisture content in pulses. • Developed a laboratory method for evaluating dehulling efficiency of red lentils. • Further developed NoodleScan ©, an imaging system developed for measuring noodle speckiness and colour. • Collaborated with the University of Manitoba on an NSERC project focused on the effect of environmental factors on the end-quality of CWRS, CWAD, CWHWS, and CPSW.
Expand research on computer-assisted image enhancement and measurement to assess grain quality	• Acquired a hyper-spectral camera system that enabled spectral imaging from 400 nm to 1000 nm. • Identified peripheral equipment and support resources.
Assess the use of objective tests to increase efficiency, reduce costs and enhance the testing capabilities of the CGC	• Developed an enzyme assay to improve the testing efficiency and increase productivity for the measurement of peroxidase activity.

2. Research that supports emerging issues in the grain quality assurance system.

Financial Resources ($ thousands):

Planned Spending	Authorities	Actual Spending
$3 245	$3 307	$4 534

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 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 Priorities #1, #2 and #3.

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

- 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

The following ongoing activities are integral components of conducting research that supports emerging issues in the grain quality assurance system. Achievements during the 2005-2006 reporting period are provided to illustrate the CGC's success in meeting the expected results of this key program:

2005-2006 Related Activities	2005-2006 Results
Research new measures for assessing grain quality; Continue collaborative and jointly funded research nationally and internationally	• Initiated development of improved and standardized durum wheat spaghetti textural quality testing procedures as part of a collaborative research study with the Tamworth Centre for Crop Improvement (Australia). • Continued ongoing collaboration on lentil characterization and spaghetti measurement with scientists at Granicoltura Caltagirone (Italy).
Research factors and develop methods	• Developed and implemented a sensitive DNA-based protocol for detecting and identifying selected bacterial pathogens in grain exports.

2005-2006 Related Activities	2005-2006 Results
relevant to grain safety assurance	• Identified changes in the *Fusarium graminearum* population in Canada highlighted by the rapid displacement of less toxigenic chemotypes with more toxigenic ones. • Developed and validated a new analytical procedure for testing mercury in cereals, oilseeds, and pulses for grain safety assurance cargo monitoring. • Developed new analytical procedures for boron, aluminum, and nickel in soybeans as components of a collaborative project with AAFC (Ottawa).
Validate research to address current major grain quality issues	• Expanded the imaging system developed to detect HVK kernels in durum wheat to detect difficult to assess weathered kernels. • Carried out a collaborative industry project to determine the feasibility of objectively measuring sprout damage in wheat. • Research is underway to identify possible processing problems and to establish grade tolerances for ruptured kernels in wheat.
Research wheat and barley DNA fingerprinting methods to develop tests for identifying and quantifying varieties of grains in shipments	• Developed a quantitative, DNA-based method to estimate variety composition of a ground sample of two-row barley. With previous DNA-based methods, variety composition was determined through analysis of multiple single kernels. • Developed a new multiplexed marker set to improve microsatellite-based DNA identification of wheat varieties. These markers have been examined in 161 wheat varieties for database development. • DNA fingerprint databases were updated to include newly registered barley and Western Canadian wheat varieties. The database for wheat was also expanded to include additional U.S. wheat varieties.
Research on the detection and quantification of GM events	• Achieved simultaneous detection of GT73, MS8xRF3, HCN28/T45 and OXY235 canola GM events using a qualitative multiplex polymerase chain reaction (PCR) assay. • Initiated research on the use of real-time PCR for the detection and quantification of the GT73 GM event in canola. • Participated in an international collaborative study organized by the Shanghai Entry-Exit Inspection and Quarantine Bureau, China, on qualitative PCR detection of the GT73 GM event in canola. • Published a review paper documenting cases of unapproved adventitious presence, tolerance and traceability requirements, GM events approved in Canada, detection methods available, and challenges for GM detection (Canadian Journal of Plant Science, 2006; 86: 1-23). • Two scientists visited five locations of GM detection laboratories in the E.U. to gain experience and establish collaboration opportunities.
Identify specific areas of interest as part of the strategic plan of scientific research within the portfolio	• Established a Portfolio Working Group, with representatives from CGC, CFIA and AAFC, to explore integrated government/industry approaches to address adventitious presence issues of materials approved in both Canada and its export markets. • Drafted a position paper on the acquisition and validation of GM grain detection technology for Canadian grains with emphasis on adventitious presence. • Initiated a collaborative project with AAFC to study cadmium and baseline levels of boron, aluminium, nickel, and mercury uptake in Canadian soybeans. Completed the first stage of this project.

3. Evolution of grain standards that meet changing industry needs

Financial Resources ($ thousands):

Planned Spending	Authorities	Actual Spending
$721	$735	$1 008

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

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 #3.

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

The following ongoing activities are integral components that contribute to the evolution of grain standards to meet changing industry needs. Achievements during the 2005-2006 reporting period are provided to illustrate the CGC's success in meeting the expected results of this key program:

2005-2006 Related Activities	2005-2006 Results
Develop specifications and measurement protocols to support new standards	• Evaluated RVA testing protocol in IS port laboratories to assess the feasibility of meeting grain industry requirements for a rapid objective test to predict sprout damage. • Investigated the impact of Hard Vitreous Kernel levels on quality specifications in both CWRS and CWHWS and recommended new specifications.
Increase amount of objective testing, i.e., digital image analysis, NIR, oil composition	• Enhanced imaging system capabilities through the addition of hyper-spectral wavelengths from 400 to 1000 nm. • Purchased new cutting edge imaging equipment to address a variety of currently subjective evaluations in Canadian crop grading.
Develop testing protocols to support grading and segregation of grains with new end-use traits for non-food uses, e.g., ethanol	• Continued to develop variety identification technology (DNA-based analysis) to allow the identification and possible segregation of grain for industrial end-uses, including ethanol production.

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

Program Activity: *Protect producers' rights*

Financial Resources ($ thousands):

Planned Spending	Authorities	Actual Spending
$3 167	$3 227	$4 895

Human Resources:

Planned	Authorities	Actual
31	31	38

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 protecting producers' rights supports departmental Priority #4 (enhance licensing and security). Enhancing the CGC's licensing and security programs aligns the CGC with its legislative obligations, supports the grain quality assurance system, and reduces the financial risk to producers. The CGC's success in implementing the MAF (Priority #5) supports the organization in achieving all of its strategic outcomes and program activities.

The overall expected result of this program activity is increased producer satisfaction with the grain handling system. The CGC continually strives to improve on the programs and activities that directly contribute to the CGC's mandate of ensuring fair treatment of producers within the grain handling system. The following related key programs and services provide details on how the CGC was successful in meeting the expected outcomes and priorities associated with protecting producers' rights during the 2005-2006 reporting period.

Key Program or Service

1. Administer the licensing and security system.

Financial Resources ($ thousands):

Planned Spending	Authorities	Actual Spending
$1 388	$1 414	$2 218

The CGC is authorized to license and regulate primary, process, transfer, and terminal elevators as well as grain dealers. Licensed elevators and grain 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 number of unlicensed facilities has presented 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 carried out a Licensing Compliance Review and an announcement was made that effective August 1, 2006 all elevators and grain dealers, as defined by the CGA will be either licensed and secured, or exempted, or subject to criminal prosecution. In addition, the auditing of licensee security coverage continued to ensure adequate security is being posted.

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 Priority #4.

In order to measure the success of its efforts in administering the licensing and financial security system, the CGC used 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

The following ongoing activities are integral components of an effective licensing and financial security program. Achievements during the 2005-2006 reporting period are provided to illustrate the CGC's success in meeting the expected results of this key program:

2005-2006 Related Activities	2005-2006 Results
Improve the CGC's licensing compliance mechanisms http://grainscanada.gc.ca/information/licensing-e.htm	• In May 2005, the Commission provided notice to the grain industry and producers of its intention to require compliance to the licensing provisions of the CGA effective August 1, 2006. http://grainscanada.gc.ca/newsroom/news_releases/2005/2005-05-13-e.htm • Conducted a thorough review of the licensing program and developed a consistent policy with respect to licensing requirements. • The CGC compliance officer completed the RCMP Law Enforcement Investigators Course – Level 1 and developed a licensing enforcement protocol document.
License eligible grain dealers and elevators http://grainscanada.gc.ca/Regulatory/licensees/licensees-e.htm,	• Sent approximately 220 Mode of Operation packages to potential licensees to determine if companies required licensing. Based on company submissions, determined that approximately 80 unlicensed companies required licensing under the CGA. • Held discussions with unlicensed companies and initiated the licensing process.
Obtain security to protect producers in case of default by a licensee	• Continued to review licensee security requirements and adjusted the security requirements, as required, on the basis of in-store grain liabilities and posted security.

2005-2006 Related Activities	2005-2006 Results
http://grainscanada.gc.ca/Regulatory/licensees/responsibilities-e.htm	• Arranged for compensation to eligible grain producers of approximately $454,300 as a result of default by two CGC licensees. http://grainscanada.gc.ca/newsroom/news_releases/2006/2006-04-13-e.htm http://grainscanada.gc.ca/newsroom/news_releases/2005/2005-04-19-e.htm
Conduct audits of licensees' liabilities to producers http://grainscanada.gc.ca/regulatory/licensees/crops-e.htm	• The CGC and Consulting and Audit Canada audited 20 licensees to ensure appropriate security coverage. Where security was deemed inadequate, the amount of security held for the purpose of producer protection was required to be increased.
Conduct information campaigns that promote the benefits of dealing with CGC licensed grain companies	• Continued to distribute information and news releases to producers on dealing with licensed grain companies. This initiative was featured in the CGC's corporate exhibit at agricultural fairs and exhibitions in western Canada.
Develop strategies to facilitate a licensing and reporting process http://grainscanada.gc.ca/Regulatory/licensees/applying-e.htm	• Continued to review and update the forms and documents required by licensees in order to streamline the licensing process and requirements. • Assisted prospective licensees with completing documentation and setting up the compulsory security threshold.

2. Fair treatment of producers by grain companies and dealers.

Financial Resources ($ thousands):

Planned Spending	Authorities	Actual Spending
$1 142	$1 164	$2 043

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 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.

The CGC used the following methods and processes to measure the success of its efforts in facilitating fair treatment of producers by grain companies and dealers:

- 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

The following ongoing activities and services are integral components of safeguarding fair treatment of producers by grain companies and dealers. Achievements during the 2005-2006 reporting period are provided to illustrate the CGC's success in meeting the expected results of this key program:

<table>
<tr><th>2005-2006 Related Activities</th><th>2005-2006 Results</th></tr>
<tr><td>Mediate and/or arbitrate producer complaints concerning transactions with grain companies</td><td>

The Assistant Commissioners in western Canada responded to 2,145 producer inquires regarding failure to pay or late payment, grade or dockage disputes, producer cars, shrinkage deductions and elevator charges. http://grainscanada.gc.ca/Whoare/a-commissioners-e.htm
The CGC received 2,079 producer inquiries on its toll free information line and 62 producer complaints. Numerous other complaints and concerns were brought to the attention of the Licensing, Auditing and Compliance staff in the course of their duties and to staff present at CGC displays during agricultural fairs and expositions.

</td></tr>
<tr><td>Expand the provision of subject to inspector's grade and dockage to include all elevators</td><td>

Continued to distribute and make available information for producers regarding their right to a binding quality determination by the CGC if the grain producer or the person delivering the grain disagrees with the grade and dockage received at a licensed primary elevator.
Producers submitted 351 samples to the CGC for quality determination under "subject to inspector's grade and dockage".

Number of Requests for Subject to Inspectors Grade and Dockage
<table>
<tr><th>Fiscal Year</th><th>Requests</th></tr>
<tr><td>2001-02</td><td>402</td></tr>
<tr><td>2002-03</td><td>368</td></tr>
<tr><td>2003-04</td><td>348</td></tr>
<tr><td>2004-05</td><td>419</td></tr>
<tr><td>2005-06</td><td>351</td></tr>
</table>

Continued to devise strategies to inform producers of their right to grain quality arbitration. Information packets on "subject to" were distributed at 29 agricultural fairs, producer meetings, and exhibitions during the 2005-2006 fiscal year. The service was promoted through prairie service centres and during CGC attendance at producer meetings, and information was posted on the CGC web-site. http://www.grainscanada.gc.ca/Prodser/quality_insp/subject_to-e.htm

</td></tr>
</table>

2005-2006 Related Activities	2005-2006 Results
Review regulations under pressure as a result of changes in the grain handling industry	• Amendments were made to the *Canada Grain Act* and the *Canada Grain Regulations* effective August 1, 2005 as a result of a WTO ruling. • Amendments were made to the *Canada Grain Regulations* effective November 21, 2005 to improve readability, clarity, ease of use, consistency of language, and to reflect current procedures. • Amendments were planned to the *Canada Grain Regulations* for implementation effective August 1, 2006.
Analyse weigh-over/audit data reported by licensees	• Continued to provide the Assistant Commissioners with detailed weigh-over reports identifying reporting delinquencies and anomalies for monitoring and investigative purposes.
Re-inspect samples on producer request and investigate quality complaints	• Continued to receive and respond to producer requests to determine the quality of grain deliveries. • Producers continued to access CGC service centres for quality determination and grain quality issues and engaged the Assistant Commissioners to assist in resolving quality disputes with buyers.

3. Fair administration of producer car delivery options.

Financial Resources ($ thousands):

Planned Spending	Authorities	Actual Spending
$289	$295	$357

The CGC allocates producer cars for producers and producer groups that wish to ship their own grain. The CGC continued 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 CGR, to provide and make available an alternate grain delivery mechanism and respond to producer car allocation challenges.

The CGC used the following methods and processes to measure its success in managing the allocation of railcars for individual producer requests:

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

The following ongoing activities are integral components of the fair administration of producer car delivery options. Achievements during the 2005-2006 reporting period are provided to illustrate the CGC's success in meeting the expected results of this key program:

2005-2006 Related Activities	2005-2006 Results
Allocate producer cars	• Received and processed applications from producers for 10,850 producer cars for the purpose of transporting grain on their own account. For all requests, acknowledged the producer car application by mailing a notice of receipt of the application by the end of the next working day.
Address producer car issues	• Continued to work with the CWB and Canadian Pacific Railway (CP) to address ongoing producer car issues. • Information on the program was made available on the CGC web-site and was also distributed to producers during agricultural fairs and exhibitions attended by the CGC.

4. Provision of grain quality information to producers.

Financial Resources ($ thousands):

Planned Spending	Authorities	Actual Spending
$348	$355	$277

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 expected result of this key service is the provision of accurate and relevant technical and statistical information to support producer sales and marketing decisions.

In order to measure the success of its efforts in providing grain quality information to producers, the CGC used 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

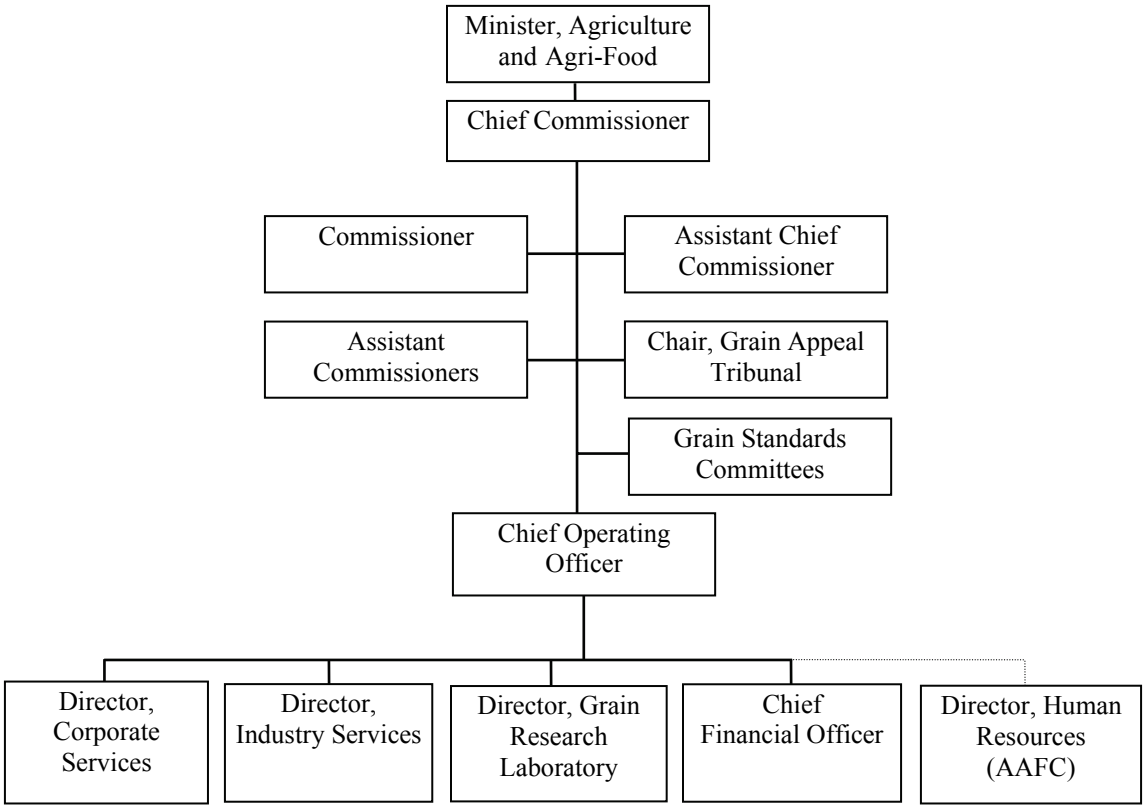
The following ongoing activities are integral components of the provision of grain quality information to producers. Achievements during the 2005-2006 reporting period are provided to illustrate the CGC's success in meeting the expected results of this key program:

2005-2006 Related Activities	2005-2006 Results
Maintain and disseminate grain quality assessment and technical information, i.e.: drying, sampling, harvest survey, etc.	• Collected grain quantity, quality, and handling information, and made general information available to external parties as required. Provided producers with support related to mathematical calculations and metric conversions pertaining to grain quality. http://grainscanada.gc.ca/Quality/crop_qual-e.htm http://grainscanada.gc.ca/Quality/exports-e.htm http://grainscanada.gc.ca/Pubs/FactsFarm/facts-titles-e.htm

2005-2006 Related Activities	2005-2006 Results
Publish statistical reports on grain stocks and handling with the licensed elevator system	• Continued to compile, verify and make available grain statistics reflecting the licensed handling system in weekly, monthly and annual publications. • The CGC statistics unit provided significant content for Statistics Canada and Canada Grains Council publications. http://grainscanada.gc.ca/Pubs/GrainStats/gsw-e.htm http://grainscanada.gc.ca/Pubs/GrainDeliveries/deliveries-e.htm http://grainscanada.gc.ca/Pubs/ExportsYearly/exportsyear-e.htm

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, the CGC works in partnership with virtually every participant in the industry.

Key Partners	Areas of Co-operation
Industry	
Producers and producers' organizations Grain Companies Railways Processors Universities' Laboratories Plant Breeders Instrument Manufacturing Companies Canadian Wheat Board Canadian International Grains Institute Canadian Seed Institute Canadian Soybean Exporters Association Canadian Special Crops Association Grain Exporters Inland Terminal Association of Canada Ontario Wheat Producers' Marketing Board Western Grain Elevators Association Winnipeg Commodity Exchange	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
Portfolio Departments and Agencies	
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
Other Government Departments	
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 Market development and support Grain shipment and unload data interchange Inspection and certification of terminal and transfer elevator scales Regulation of grain imports

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

Table 1: Comparison of Planned to Actual Spending (including FTEs)

($ thousands)	2003–04 Actual	2004-05 Actual	2005–2006			
			Main Estimates	Planned Spending	Total Authorities	Total Actuals
Deliver inspection and testing services[1]		39 186	31 980	44 808	45 671	42 535
Deliver weighing services[1]		12 092	8 731	13 003	13 254	12 637
Conduct research to understand and measure grain quality		8 345	5 030	7 210	7 348	10 077
Protect producers' rights[1]		3 662	2 048	3 167	3 227	4 895
Total	**63 737**	**63 285**	**47 789**	**68 188**	**69 500**	**70 144**
Plus: Cost of services received without charge	3 030	2 345	753	753	753	803
Net Cost of Department	**66 767**	**65 630**	**48 542**	**68 941**	**70 253**	**70 947**
Full-time Equivalents	**652**	**621**	**667**	**667**	**667**	**635**

[1] Includes Canadian Grain Commission (CGC) Revolving Fund activities.

This table represents the total Revolving Fund and Appropriation for main estimates, planned spending, total authorities, and actual spending.

The difference between main estimates and planned spending reflects the 2005 budget announcement for $21 million and the planned Expenditure Review Committee (ERC) savings of $601 K.

The difference between planned spending and total authorities is $1312 K received via Govenor General Special Warrants (GGSW).

Actual spending includes utilization of unused operating surplus via Treasury Board approval.

Table 2: Resources by Program Activities

2005-2006								
Program Activity	Budgetary ($ thousands)						Plus: Non-budgetary	Total
	Operating	Capital	Grants and Contributions	Total: Gross Budgetary Expenditures	Less: Respendable Revenue	Total: Net Budgetary Expenditures	Loans, Investments Advances	
Deliver inspection and testing services								
Main Estimates	30 031	1 949	-	31 980	32 077	(97)	-	(97)
Planned Spending	42 859	1 949	-	44 808	32 077	12 731	-	12 731
Total Authorities	43 722	1 949	-	45 671	32 077	13 594	-	13 594
Actual Spending	41 552	983	-	42 535	27 653	14 882	-	14 882
Deliver weighing services								
Main Estimates	8 199	532	-	8 731	8 757	(26)	-	(26)
Planned Spending	12 471	532	-	13 003	8 757	4 246	-	4 246
Total Authorities	12 722	532	-	13 254	8 757	4 497	-	4 497
Actual Spending	12 468	169	-	12 637	10 676	1 961	-	1 961
Conduct research to measure and understand grain quality								
Main Estimates	4 650	380	-	5 030	-	5 030	-	5 030
Planned Spending	6 830	380	-	7 210	-	7 210	-	7 210
Total Authorities	6 968	380	-	7 348	-	7 348	-	7 348
Actual Spending	9 476	601	-	10 077	-	10 077	-	10 077
Protect producers' rights								
Main Estimates	1 909	139	-	2 048	1 061	987	-	987
Planned Spending	3 028	139	-	3 167	1 061	2 105	-	2 105
Total Authorities	3 088	139	-	3 227	1 061	2 166	-	2 166
Actual Spending	4 833	62	-	4 895	442	4 453	-	4 453

This table depicts the main estimates, planned spending, total authorities, and actual spending for each Program Activity.

Actual spending includes utilization of unused operating surplus via Treasury Board approval.

Table 3: Voted and Statutory Items

Vote or Statutory Item ($ thousands)	Truncated Vote or Statutory Wording	2005–2006			
		Main Estimates	Planned Spending	Total Authorities	Actual
40	Operating expenditures	5 434	5 434	5 434	5 434
40a	Program expenditures	-	20 399	21 711	21 411
(S)	Revolving Fund	(127)	(127)	(127)	(127)
(S)	Contributions to employee benefit plans	587	587	587	587
	Total	**5 894**	**26 293**	**27 605**	**27 305**

The summary of voted Appropriations represents the amount of funding received by the CGC through the approved votes. It compares main estimates, planned spending, and total authorities to what the CGC actually spent.

The difference between main estimates and planned spending reflects the 2005 budget announcement for $21 million and the planned Expenditure Review Committee (ERC) savings of $601 K.

The difference between planned spending and total authorities is $1312 K received via Govenor General Special Warrants (GGSW).

Table 4: Services Received Without Charge

($ thousands)	2005–2006
Accommodation provided by Public Works and Government Services Canada	-
Contributions covering employers' share of employees' insurance premiums and expenditures paid by Treasury Board Secretariat (excluding revolving funds)	587
Workers' compensation coverage provided by Social Development Canada.	216
Salary and associated expenditures of legal services provided by the Department of Justice Canada	-
Total 2005–2006 Services received without charge	**803**

This table represents all services provided and paid by other government departments on behalf of the CGC.

Table 5: Sources of Respendable Revenue

Sources of Respendable Revenue ($ thousands)	Actual 2003-04	Actual 2004-05	2005-2006			
			Main Estimates	Planned Revenue	Total Authorities	Actual
Deliver inspection and testing services						
Inspection, registration, and cancellation						26 323
Other						1 330
Total			**32 077**	**32 077**	**32 077**	**27 653**
Deliver weighing services						
Weighing, registration, and cancellation						10 633
Other						43
Total			**8 757**	**8 757**	**8 757**	**10 676**
Conduct research to understand and measure grain quality						
Other						
Total			**-**	**-**	**-**	**-**
Protect producers' rights						
Licences						183
Other						259
Total			**1 061**	**1 061**	**1 061**	**442**
Total Respendable Revenue	**34 015**	**35 942**	**41 895**	**41 895**	**41 895**	**38 771**

This table identifies all sources of revenue generated, excluding appropriation. Respendable revenues represent funds generated through fees and contracts for services rendered by the CGC. These revenues are used to offset a portion of the costs of providing these services.

Table 6: Revolving Funds

Statement of Operations

($ thousands)	Actual 2003-04	Actual 2004-05	2005–2006			
			Main Estimates	Planned Spending	Authorized	Actual
Revenue						
Appropriation	37 506	21 829	5 894	26 293	27 605	27 305
Respendable	34 015	35 942	41 895	41 895	41 895	38 771
Total revenues	**71 521**	**57 771**	**47 789**	**68 188**	**69 500**	**66 076**
Expenses						
Operating:						
Salaries and employee benefits	49 277	49 696	35 299	51 422	52 458	55 310
Depreciation	2 052	1 857	2 527	2 527	2 527	2 174
Repairs and maintenance	333	430	316	460	470	422
Administrative and support services	9 619	9 140	7 399	10 778	10 996	10 093
Utilities, materials, and supplies	2 186	1 947	1 536	2 238	2 283	1 977
Marketing	270	215	112	163	166	168
Total expenses	63 737	63 285	47 189	67 588	68 900	70 144
Surplus (Deficit)	**7 784**	**(5 514)**	**600**	**600**	**600**	**(4 068)**

This table reflects and allocates the costs associated with the total revenues generated.

The difference between main estimates and planned revenues/expenses reflects the 2005 budget announcement for $21 million and the Expenditure Review Committee (ERC) savings of $601 K.

The difference between planned revenues/expenses and total authorities is $1312 K received via Govenor General Special Warrants (GGSW).

Actual spending includes utilization of unused operating surplus via Treasury Board approval.

Statement of Cash Flows

($ thousands)	Actual 2003-04	Actual 2004-05	2005-06			
			Main Estimates	Planned Spending	Authorized	Actual
Surplus (Deficit)	**7 784**	**(5 514)**	**600**	**600**	**600**	**(4 068)**
Add non-cash items:						
Depreciation/amortization	2 052	1 857	2 527	2 527	2 527	2 174
Provision for employee termination benefits	672	654	-	-	-	842
Gain on disposal of property and equipment	(46)	(7)	-	-	-	(3)
Change in working capital	(2 033)	1 357	-	-	-	(1 047)
Investing activities:						
Acquisition of depreciable assets	(1 451)	(2 962)	(3 000)	(3 000)	(3 000)	(1 767)
Cash Surplus (requirement)	**6 978**	**(4615)**	**127**	**127**	**127**	**(3 869)**

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

Projected Use of Authority

($ thousands)	Actual 2003-04	Actual 2004-05	2005-06			
			Main Estimates	Planned Spending	Authorized	Actual
Authority	**2 000**	**2 254**	**2 381**	**2 381**	**2 381**	**2 381**
Drawdown:						
Balance as at April 1	9 802	16 780	12 165	12 165	12 165	12 165
Operating (deficit)/surplus	(9 802)	(16 780)	(12 165)	(12 165)	(12 165)	(12 165)
Projected surplus (drawdown)	6 978	(4615)	127	127	127	(3 869)
Projected Balance at March 31	**8 978**	**(2 361)**	**2 508**	**2 508**	**2 508**	**(1 488)**

This table represents the projected balance which is made up of the Accumulated net charge (April 1), ANCAFA (cash account) plus the CGC's Revolving Fund authority.

Table 7: 2005-2006 User Fee Reporting – *User Fees Act*

				2005-2006 ($ thousands)				
User Fee	**Fee Type**	**Fee Setting Authority**	**Date Last Modified**	**Forecast Revenue**	**Actual Revenue**	**Full Cost**	**Performance Standard**	**Performance Results**
Inward Inspection	*R*	*Schedule 1 Canada Grain Regulations (CGR)*	1991	6 020	7 448	11 609	See Annex 3	See Annex 3
Outward Inspection	*R*	*Schedule 1- CGR*	1991	12 246	13 368	13 208	See Annex 3	See Annex 3
Inward Weighing	*R*	*Schedule 1- CGR*	1999	1 558	1 698	3 490	See Annex 3	See Annex 3
Outward Weighing	*R*	*Schedule 1- CGR*	1991	6 245	7 111	6 247	See Annex 3	See Annex 3
Registration and Cancellation	*R*	*Schedule 1- CGR*	1991	3 231	3 621	1 053	See Annex 3	See Annex 3
Licences	*R*	*Schedule 1- CGR*	1991	179	181	1 305	See Annex 3	See Annex 3
Total				**29 479**	**33 427**	**36 912**		

Table 7 Continued: 2005-2006 User Fee Reporting – *User Fees Act*

		Planning Years ($ thousands)					
		2006-2007		2007-2008		2008-2009	
User Fee	**Fee Type**	**Forecast Revenue**	**Estimated Full Costs**	**Forecast Revenue**	**Estimated Full Costs**	**Forecast Revenue**	**Estimated Full Costs**
Inward Inspection	*R*	7 538	12 138	6 825	11 265	6 825	11 547
Outward Inspection	*R*	12 549	12 736	11 363	11 820	11 363	12 116
Inward Weighing	*R*	1 530	1 568	1 385	1 455	1 385	1 492
Outward Weighing	*R*	6 497	5 841	5 883	5 422	5 883	5 557
Registration and Cancellation	*R*	3 369	2 398	3 050	2 226	3 050	2 281
Licences	*R*	168	1 215	153	1 127	153	1 156
Total		**31 651**	**35 896**	**28 659**	**33 315**	**28 659**	**34 149**

Most of the CGC's revenues are generated from fees charged for regulatory inspection and weighing of grain exported through terminal elevators.

The estimated full costs only reflect the direct costs associated with revenue generation. Indirect costs have been excluded for this calculation.

Table 8: Policy on Service Standards for External Fees

External Fee	Service Standard	Performance Results 2005-2006	Stakeholder Consultation
Inward Inspection	• We will provide all services in a courteous, professional manner • We will prepare and distribute documentation to interested parties within 24 hours of unload • We will provide thorough elevator inspections with regard to automatic samplers, protein testers and moisture meters, dryers and other related mechanical equipment • We will provide advice for companies regarding installation of new or modified sampling equipment, dryers and other mechanical equipment where applicable • We will address special requests to meet customer needs	From April 1, 2005 to March 31, 2006, CGC staff inspected 239,834 inward grain cars. The grading of inward grain cars was 99.1% accurate. Service standards were met 100% of the time.	Constant daily contact with and feedback from stakeholders, combined with formal stakeholder meetings and review of service performance.
Outward Inspection	• While grain is being conveyed to the vessel, truck or railcar, we will continuously monitor the grade of the grain according to the information listed on the shipping order • We will analyze representative increments for the cargo every 2000 tonnes or within a timed interval that has been identified for the terminal and advise the shippers of the results within 20 minutes of commencing the analysis, and always when there is a problem • We will notify the designated facility representative immediately after the discovery of quality anomalies so that the cost of corrections is minimized • We will keep an official record of the loading and retain samples for six months so that the CGC and its customers can review the details of the shipment should the need arise • We will accurately reflect the loading data in the certificate, letters of analysis or other documents that we issue and offer as much flexibility in the format of these documents as our Act and Regulations allow • We will issue the appropriate certificates for the cargo within twenty-four hours of receiving a) the documentation requests from the shipper/exporter and b) the loading data from the inspection unit	From April 1, 2005 to March 31, 2006, CGC staff issued 2,873 certificates of quality representing 22,006,326 tonnes of Canadian export grain. Service Standards were met 100% of the time.	Constant daily contact with and feedback from stakeholders, combined with formal stakeholder meetings and review of service performance (e.g. Vessel Loading Protocol).

External Fee	Service Standard	Performance Results 2005-2006	Stakeholder Consultation
Inward Weighing	• We shall endeavor to provide receipt data within 24 hours of unload • We will provide all services in a courteous, professional manner • We will accurately determine the amount of grain weighed and facilitate the verification of the weight with the interested parties through the certificates and other documents that we issue • We will monitor the weights and grain flow routes while grain is being conveyed from the truck or railcar • We will notify the facility representatives immediately after the discovery of quantity anomalies or weighing exceptions in order to minimize correction costs • We will provide our staff with the tools and knowledge to consistently apply the protocols for official weighing as our principal training objective • We will address special requests to meet clients needs	From April 1, 2005 to March 31, 2006, CGC staff officially weighed 239,834 inward grain cars. Service Standards were met 100% of the time.	Constant daily contact with and feedback from stakeholders, combined with formal stakeholder meetings and review of service performance (e.g. Grain Receival Service).
Outward Weighing	• We shall endeavour to provide shipment data before the close of the next business day • We will ensure the timely transfer of official documents • We will process and document all shipments so as not to delay the loading operations of the facility • We will accurately determine the amount of grain weighed and facilitate the verification of the weight with the interested parties • We will continuously monitor the weights and grain flow routes while grain is being conveyed to the truck, railcar or vessel • We will notify the facility representatives immediately after the discovery of quantity anomalies or weighing exceptions so that the cost of corrections is minimized • We will keep an official record of shipping routes and scale tapes for 2 years after a loading • We will accurately reflect the loading data in the certificates and other documents that we issue	From April 1, 2005 to March 31, 2006, CGC staff officially weighed 22,006,239 tonnes of grain for export from Canada. Service Standards were met 100% of the time.	Constant daily contact with and feedback from stakeholders, combined with formal stakeholder meetings and review of service performance (e.g. Vessel Loading Protocol).

External Fee	Service Standard	Performance Results 2005-2006	Stakeholder Consultation
Registration and Cancellation	• We will reply to phone calls or e-mails from clients within 30 minutes of the time they are received or advise employees (via a message) when we will be able to resolve their questions • We will provide 5-minute response between the hours of 7:30 and 4:30 CST and within 30 minutes at other times • We will monitor the system on weekends to ensure continued operation	Service Standards were met 100% of the time.	Informal feedback from stakeholders on a daily basis.
Licensing	• Upon receipt of all required documentation for licensing, we will monitor prospective licensee files to ensure that the files are processed and approved within 10 working days (pending availability of decision makers). • We will advise licensees of their licensing requirements 2 months prior to their license renewal date. • We will notify the licensee the day a licence is issued and ensure the licence is mailed to the licensee within 5 working days from the effective date of the licence. • We will ensure that customers are notified about changes in CGC licensees' status within 3 working days of the effective change. In lieu of a 3 working day standard, notification of changes will take place via newspaper and other media publications. • We will respond to customer inquiries within 24 hours.	From April 1, 2005 to March 31, 2006, the CGC had 106 licensees as required by the CGR and CGR. It should be noted that some licensees hold multiple licences (e.g. primary, grain dealer, transfer). CGC staff handled 309 enquiries relating to the area of licences and bonding. Service standards were met 100% of the time.	Daily contact with and feedback from stakeholders, combined with formal stakeholder meetings and review of service performance.

Table 9: CGC Financial Statements

Fiscal year 2005-2006 CGC audited financial statements can be accessed using the following link: http://grainscanada.gc.ca/pubs/corporate/finance/cgcfinance06-e.pdf .

Table 10: Response to Audits and Evaluations for Fiscal Year 2005–2006

Internal Audits
Review of Employee Performance Appraisals Process 2005-2006 • This includes both the Review Report and the Management Action Plan. • These reports can be viewed by accessing the following link: http://grainscanada.gc.ca/pubs/corporate/intreview/employperf-e.htm

Table 11: Travel Policies

Comparison to the Treasury Board of Canada Secretariat Special Travel Authorities

The Canadian Grain Commission follows the Treasury Board of Canada Secretariat *Special Travel Authorities.*

http://www.tbs-sct.gc.ca/pubs_pol/hrpubs/TBM_113/STA_e.asp

Comparison to the Treasury Board of Canada Secretariat Travel Directive, Rates and Allowances

The Canadian Grain Commission follows the Treasury Board of Canada Secretariat *Travel Directive*, Rates and Allowances.

http://www.tbs-sct.gc.ca/pubs_pol/hrpubs/TBM_113/td-dv_e.asp
http://www.tbs-sct.gc.ca/hr-rh/gtla-vgcl/menu-travel-voyage_e.asp

SECTION IV – OTHER ITEMS OF INTEREST

Annex 1: Government Wide Initiatives

The CGC is committed to fulfilling its responsibility for government wide initiatives in the most efficient and effective manner possible. The cost of implementing government wide initiatives is accounted for under the costs of delivering our program activities. The CGC's commitment to meeting the government wide initiatives mandate confirms its position in the Agriculture and Agri-Food portfolio.

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 is 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.

2005-2006 Related Activities	2005-2006 Results
Plan and implement activities to fulfil the mandate of the Management Accountability Framework (MAF)	• Continued planning and implementation of activities within the broad scope of the MAF as outlined in the MAF Action Plan published in the fall of 2005. http://grainscanada.gc.ca/pubs/corporate/maf/maf-e.htm
Enhance the risk management framework	• Formally adopted the "Corporate Risk Profile", a framework intended to guide CGC staff in incorporating risk management as part of regular decision making.
Conduct planned internal audits	• Developed an internal audit plan for fiscal year 2005-2006. The following activities were undertaken: o Completed a review of the employee performance appraisals process http://grainscanada.gc.ca/pubs/corporate/intreview/employperf-e.htm o Completed audit work on the acquisition card review - (report not presented before end of fiscal year). o Completed audit work on the asset review - (report not presented before end of fiscal year).
Develop the framework for performance measurement	• Established performance measures for nearly all CGC units across Canada and have started to include these measures in performance management.
Ensure that employee goals are linked to business objectives and identified employee development needs	• Held discussions on performance measures to help CGC employees understand how their individual work contributes to the overall success of the department.

2005-2006 Related Activities	2005-2006 Results
Respond to the requirements of the *User Fees Act*	• Created a User Fees Committee which consists of representatives from various divisions in the organization. The Committee has: o Reviewed existing user fees to identify redundancies. o Compiled information on existing service standards and performance measures. o Started to standardize the documentation of service descriptions, components, and deliverables for each service fee in template format. o Developed costing methodology to facilitate the calculation of individual service costs. o Amended the CGC website to publish relevant information regarding CGC fees.
Achieve the next phase of Government On-Line (GOL) targets, e.g., transferring services to online environment	• Provided quick and easy access to information about the CGC, its policy decisions, general announcements, and activities on the CGC website. • Provided electronic subscription services for news releases and other grain related information, statistical and grain quality reports, on-line reporting for licensees, bilingual glossary of grain related terminology, and various other services and information for grain producers and the grain industry. http://grainscanada.gc.ca/
Expand use of service standards and reliable measures for key services	• Continued to finalize service standards for all CGC user fees.
Develop a strategy to implement the *Public Service Modernization Act* (PSMA)	• Implemented or are in the process of implementing all aspects of PSMA. • Met the Public Service Commission target for implementation of the *Public Service Employment Act*.
Implement the CGC's Employment Equity Plan	• Reviewed the existing 3 year Employment Equity Plan to identify results achieved. • Initiated work on a plan for 2005-2008 incorporating achievements of previous years and information from new Workforce Analysis.
Develop strategies to address the results of the 2002 Public Service Wide Employee Survey	• Published a CGC newsletter approximately every six weeks on the CGC's intranet (StaffNet) to help keep staff informed of various issues of importance and interest to the organization.
Actively promote and implement the requirements of the *Official Languages Act*	• The CGC's Official Languages Committee continued to address various issues as they were identified. o Continued to make French language training resources available for staff. o Completed the "Assessment of Demand for Services in Both Official Languages" in September 2005 as required under Directive C every 10 years. o Updated the Burolis directory of offices and facilities.

2005-2006 Related Activities	2005-2006 Results
	○ Supported Francophone community events and promoted these events to staff. ○ The Official Languages Coordinator is a member of the Manitoba Interdepartmental Network of Official Languages Coordinators (MINOLC) and information is shared between both MINOLC and the committee. ○ The Official Languages Champion attended a variety of information sessions, such as Bill S-3 and the Champions' Conference and shared information with the committee.
Review areas of shared responsibility with the Canadian Food Inspection Agency, Health Canada, Agriculture and Agri-Food Canada and other agencies to ensure there are no gaps in domestic grain safety assurance, GM grain, identity preservation, and non-Canadian grain	• The Adventitious Presence (AP) portfolio working group, made up of representatives from AAFC, CFIA and CGC, met regularly to discuss issues associated with AP. The working group identified 17 issues regarding AP of GM material affecting grain and seed industries. Action plans to address issues were developed and using support funds from the Canadian Biotechnology Strategy, the following activities occurred: ○ Attended a workshop on seed certification and modern biotechnology at the OECD Seed Schemes Annual meeting in September 2005. ○ Presented information on seed certification as a model for managing coexistence and on identity preservation as a mechanism for managing coexistence with Canadian IP non-GM soybeans as a case study. ○ Initiated studies to explore varietal purity and the issue of AP in seed. ○ Published a scientific overview paper on the issue of AP. ○ Developed a pilot study to identify methods to control AP in mustard and the buyer assurances needed relative to these controls. ○ Participated in a European mission to share information on Canadian IP capabilities and identify buyers' requirements related to AP. ○ Canadian regulators met to explore policy options to address unapproved events ○ Undertook a study to compare international biosafety regulations. ○ In addition, the working group provided a forum for: ▪ CGC GRL staff to maintain contact with researchers in CFIA and AAFC labs to ensure research is complementary. ▪ CGC and CFIA to hold discussions to enable validation of GM grain detection methods. • In partnership with AAFC and CFIA, launched the process of determining a mechanism to minimize leakage of U.S. wheat varieties into the Canadian grain handling system. • The Portfolio Science Collaboration Working Group for grain safety assurance held, and continues to hold, discussions on the disposal of contaminated grain and other substances.

2005-2006 Related Activities	2005-2006 Results
	• Continued to work with CFIA's Varietal Registration Office to develop a contract registration program for wheat variety 5400IP. • Worked closely with CFIA following advisement that a non-registered canola variety had potentially been delivered into the handling system. • Became a member of the Portfolio Seed Policy Working Group.
Phytosanitary inspection of grain elevators on behalf of Canadian Food Inspection Agency (CFIA)	• Under the terms of a letter of agreement with the CFIA, the CGC conducted a total of 238 elevator inspections across Canada, inspected 15 vessels in the Port of Churchill, and provided information on 2,174 submitted samples that allowed for issuance of phytosanitary certificates. (Single agency provision of phytosanitary inspections eliminates duplication of services, while continuing to uphold the government mandate).

Annex 2: Corporate Infrastructure

The CGC is committed to fulfilling its mandate under the CGA in the most efficient and effective manner possible. The CGC values a skilled and motivated workforce that is equipped to ensure that CGC regulations and services support a successful grain industry. Providing an inclusive and diverse workplace that is representative of the citizens we serve is essential to the long-term growth strategy of the CGC. The costs of corporate infrastructure are accounted for in the costs of delivering our program activities.

CGC corporate infrastructure includes support functions such as management of human resources, information technology, statistical services, communications, legal services, 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 is 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.

2005-2006 Related Activities	2005-2006 Results
Management and ongoing development of an effective health and safety program	• Conducted training for hazard recognition, control and the processes involved in Job Safety Analysis (JSA). • The National Occupational Health & Safety Policy Committee reviewed and revised the first set of JSAs relating to a subset of operational activities at grain elevators and terminals. • Provided recurrent training for members of the Threat Assessment Teams (Workplace Violence Prevention program). • Continued to develop the Hazard Prevention Program. Initiated work on 16 separate JSAs covering high risk functions in Industry Services. Initiated gap analysis in the GRL to identify tasks requiring JSAs. • Continued to develop a CGC-wide Wellness Program with initial assessment of potential service providers for Stress Management seminars. • Consistently met existing service standards. • Improved Health & Safety incident reporting.
Effective internal communications including information from management planning sessions e.g., staff net, bulletins, Chief Operating Officer communications	• Continued to release a newsletter every 6 weeks. • Released staff bulletins as required. http://grainscanada.gc.ca/new/newmenu-e.htm • Held quarterly leadership planning sessions. • Communicated CGC state of affairs (Odyssey presentation) to staff in April 2005. • Continued to visit and meet staff at CGC worksites and waterfront elevators.

2005-2006 Related Activities	2005-2006 Results
Development and management of an information technology (IT) infrastructure	• CGC IT Services delivered agreed upon software to the organization according to budget and project timelines. • Continued, where possible, the commitment to procure software solutions, as opposed to developing in-house.
Develop or acquire and implement advanced software applications and provide IT support	• CGC IT Services continued to manage server population through increased power, network throughput, and rationalization of the number of servers. • Continued to enhance and evolve the infrastructure (implementing internet protocol based technology), to ensure timely access to data, and to control data access (utilization of ECORA and WEBSENSE software for desktop and Internet management). • Implemented increased data storage to secure and control data archiving. • Initiated IT disaster recovery planning.
Storage, handling and provision of operational data	• Reviewed and upgraded IT policies to reflect changing realities. Modifications were made to the Internet and e-mail polices to better reflect best practices. • Implemented new software tools to better monitor information technology policy compliance within the CGC.
Policy support to all work groups	• Significant support was provided by the policy group and legal counsel in the development of the licensing compliance initiative, the WQAS, and Canada's response to the WTO Panel ruling.
Statistical support to all work groups	• The Statistics Unit continued to support CGC working groups with data provision and information support. Data was provided for standard internal reports as well as ad-hoc reports on unloads, shipments, and re-inspections to answer specific (and urgent) questions not accommodated by standard reports.
Manage national and regional administrative programs and policies	• Held monthly National Administration Officer meetings. • Addressed, and in conjunction with other departments, continued to monitor issues experienced during the transition to a new service provider (Travel/AcXess/Voyage). • Shared travel information bulletins from Treasury Board and the service provider with all administration officers and staff. • Sent a client satisfaction survey to headquarters' staff to determine if mailroom services met service standards. • FRISBEE, a transportation software package, was rolled-out and implemented nationally.
Manage CGC facilities and telecommunications	• Developed a 5-year capital plan to manage existing leases and to provide a rational context for resource considerations and project approvals. • Experienced a decrease in telecom costs for a second year due to centralization of the telecom budget and through the efforts of standards, policies, streamlined processes, and continued communication.

2005-2006 Related Activities	2005-2006 Results
Evaluate existing CGC premises for future capacity and requirements	• Finalized a functional program for CGC headquarters to address future needs with respect to space, structural, electrical and mechanical requirements for laboratory and processing space. This program involved all tenants with labs – CGC, Canadian International Grains Institute and the Canadian Malting Barley Technical Center. • Started a design standard for regional offices to address future lab and processing space needs and requirements in order to help maximize efficiencies.
Develop business continuity plan (BCP) (previously reported as business resumption plan)	• Completed BCP plans, including a pandemic annex, for all CGC regions. • Communicated BCP plans at CGC leadership sessions, team meetings, and via the CGC newsletter.
Management and ongoing development of an effective human resources program	• Continued development of a skilled, sustainable, and representative workforce. • Initiated development of tools to track human resource metrics.
Develop a succession planning framework	• Commenced research regarding best practices. • Updated demographics. • Held discussions at the senior management level on focus and direction. • Commenced updating competencies.
Implement new employee training database	• Implemented a training database effective January 2005. This has enabled the CGC to gather and analyze its learning investments in order to make more informed decisions.
Develop learning plans for each employee	• Facilitators delivered training sessions on personal learning plans to employees in all regions.
Implement a curriculum for managers and employees based on core competencies and corporate priorities	• Developed a draft base curriculum founded on core competencies and corporate priorities.
Continue to develop communication and facilitation skills within the organization	• Discontinued training new facilitators. The ability to facilitate working groups is now a basic expectation of managers, and is embedded within the project management system. • Continued to develop communication skills across the organization through such mandatory training as conflict management skills.
Amend the *Canada Grain Act* and *Regulations*	• Amended the CGA and CGR effective August 1, 2005 as a result of a WTO ruling. • Amended the CGR effective November 21, 2005.

Annex 3: Performance Standards and Results

User Fee	Performance Standard	Performance Results 2005-2006
Inward Inspection	• We will provide all services in a courteous, professional manner • We will prepare and distribute documentation to interested parties within 24 hours of unload • We will provide thorough elevator inspections with regard to automatic samplers, protein testers and moisture meters, dryers and other related mechanical equipment • We will provide advice for companies regarding installation of new or modified sampling equipment, dryers and other mechanical equipment where applicable • We will address special requests to meet customer needs	From April 1, 2005 to March 31, 2006, CGC staff inspected 239,834 inward grain cars. The grading of inward grain cars was 99.1% accurate. Service standards were met 100% of the time.
Outward Inspection	• While grain is being conveyed to the vessel, truck or railcar, we will continuously monitor the grade of the grain according to the information listed on the shipping order • We will analyze representative increments for the cargo every 2000 tonnes or within a timed interval that has been identified for the terminal and advise the shippers of the results within 20 minutes of commencing the analysis, and always when there is a problem • We will notify the designated facility representative immediately after the discovery of quality anomalies so that the cost of corrections is minimized • We will keep an official record of the loading and retain samples for six months so that the CGC and its customers can review the details of the shipment should the need arise • We will accurately reflect the loading data in the certificate, letters of analysis or other documents that we issue and offer as much flexibility in the format of these documents as our Act and Regulations allow • We will issue the appropriate certificates for the cargo within twenty-four hours of receiving a) the documentation requests from the shipper/exporter and b) the loading data from the inspection unit	From April 1, 2005 to March 31, 2006, CGC staff issued 2,873 certificates of quality representing 22,006,326 tonnes of Canadian export grain. Service Standards were met 100% of the time.

User Fee	Performance Standard	Performance Results 2005-2006
Inward Weighing	• We shall endeavour to provide receipt data within 24 hours of unload • We will provide all services in a courteous, professional manner • We will accurately determine the amount of grain weighed and facilitate the verification of the weight with the interested parties through the certificates and other documents that we issue • We will monitor weights and grain flow routes while grain is being conveyed from the truck or railcar • We will notify the facility representatives immediately after the discovery of quantity anomalies or weighing exceptions in order to minimize correction costs • We will address special requests to meet clients needs	From April 1, 2005 to March 31, 2006, CGC staff officially weighed 239,834 inward grain cars. Service Standards were met 100% of the time.
Outward Weighing	• We shall endeavour to provide shipment data before the close of the next business day • We will ensure the timely transfer of official documents • We will process and document all shipments so as not to delay the loading operations of the facility • We will accurately determine the amount of grain weighed and facilitate the verification of the weight with the interested parties • We will continuously monitor the weights and grain flow routes while grain is being conveyed to the truck, railcar or vessel • We will notify the facility representatives immediately after the discovery of quantity anomalies or weighing exceptions so that the cost of corrections is minimized • We will keep an official record of shipping routes and scale tapes for 2 years after a loading • We will accurately reflect the loading data in the certificates and other documents that we issue	From April 1, 2005 to March 31, 2006, CGC staff officially weighed 22,006,239 tonnes of grain for export from Canada. Service Standards were met 100% of the time.
Registration and Cancellation	• We will reply to client phone calls/e-mails within 30 minutes of the time they are received or advise employees (via a message) when we will be able to resolve their questions • We will provide 5-minute response between the hours of 7:30 and 4:30 CST and within 30 minutes at other times • We will monitor the system on weekends to ensure continued operation	Service Standards were met 100% of the time.

User Fee	Performance Standard	Performance Results 2005-2006
Licensing	• Upon receipt of all required documentation for licensing, we monitor prospective licensee files to ensure that the files are processed and approved within 10 working days (pending availability of decision makers). • We will advise licensees of their licensing requirements 2 months prior to their license renewal date. • We will notify a licence the day a licence is issued and ensure that the licence is mailed to the licensee within 5 working days from the effective date of the licence. • We will ensure that customers are notified about changes in CGC licensees' status within 3 working days of the effective change. In lieu of a 3 working day standard, notification of changes will take place via newspaper and other media publications. • We will respond to customer inquiries within 24 hours.	From April 1, 2005 to March 31, 2006, the CGC had 106 licensees as required by the *CGA and CGR*. CGC staff handled 309 enquiries relating to the area of licences and bonding. Service standards were met 100% of the time.