



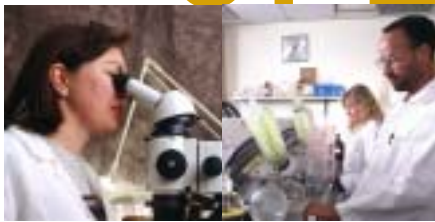
ORGANIZATION

AND



OPERATIONS

OF THE



CANADIAN GRAIN COMMISSION





CANADA IS KNOWN WORLDWIDE AS A SUPPLIER OF QUALITY GRAIN.

Why are we so successful? Our edge in the marketplace has always been quality and consistency. A miller who buys Canadian wheat knows how it will perform, year after year. Each lot of grain does not have to be tested, because each one will perform exactly the same as previous lots of the same wheat.

This kind of quality and consistency does not happen by accident. Much of the responsibility for the quality of Canadian grain belongs with the Canadian Grain Commission (CGC).

In Canada, grain is most often wheat, and wheat often is turned into bread—whole wheat bread, crusty bread, French bread, Italian bread, bannock, pita bread, chapatis, tortillas. But there's more. Canadian grain products include pasta, noodles, mustard, licorice, sprouts from mustard, beans, and chick peas, oils from canola, flax, sunflower, corn and wheat germ, soups from barley, wheat, lentils and peas, cakes, biscuits, cookies, crackers, couscous, hummus, kasha, tabouli, and beer. From barley to beans, if it's grown in Canada, you'll know it's good, and the Canadian Grain Commission helped to make it that way.

■ A FEDERAL AGENCY

The CGC is a federal government agency and operates under the authority of the Canada Grain Act. Our head office is in Winnipeg, and we have approximately 700 employees. Our annual budget comes partly from fees for our services and partly from Parliament.

■ THE FLOW OF GRAIN

The CGC offers a number of services to the grain industry as grain makes its way from the producer's field to markets. Most often, producers on the Prairies deliver their grain to a local primary elevator. The CGC establishes the grading guidelines that operators of primary elevators must use. Western producers also deliver directly to process elevators or load grain themselves into railcars for direct shipment to terminal elevators.

Individual producers' deliveries are generally mixed and grain is shipped in large lots. This bulk handling helps keep costs down. However, because the identity of each producer's grain is lost almost immediately, it is important that grading at the primary elevators is done quickly and fairly. The CGC provides a dispute resolution service when producers and buyers disagree on grades.

When grain is unloaded at terminal elevators and some transfer elevators, CGC staff grade the grain and register its receipt. They follow similar procedures when grain leaves the elevators. Grain leaving terminal and transfer elevators is bound for domestic or export customers, usually by ship or laker.

Canadian grain is graded by its visual characteristics. Grades are carefully established to describe the processing qualities of the grain. The Certificate Final issued for each export shipment of grain is internationally recognized and accepted as Canada's assurance that what our customers buy is what they are expecting to buy.

ORGANIZATION AND OPERATIONS OF THE CANADIAN GRAIN COMMISSION



QUALITY • INNOVATION •

When buyers purchase grain from other countries, they may wish to see the actual grain they are buying before they close the deal. When they purchase Canadian grain, they need only the Certificate Final.

INDUSTRY SERVICES

Industry Services ensures that Canadian grain meets quality standards. At elevators, CGC staff inspect and grade grain and perform other services to ensure the quality of grain is maintained as it moves through the handling system. We also have service centres across the Prairies, and regional offices in Vancouver, Winnipeg, Thunder Bay, Chatham and Montreal.

Industry Services staff perform a number of support functions for the Canadian grain industry.

They assess the quality of shipments by inspecting and grading samples of all grain according to legislated standards. They ensure grain is clean and safe. If required they supervise grain treatment or fumigation.

They also administer a protein segregation program.

They enforce the Canada Grain Act which regulates how grain is received, treated and handled.

They inspect scales and some other equipment and facilities in licensed terminal and transfer elevators.

They monitor the integrity of the grain handling system by

- Ensuring accurate weighing of all shipments handled by terminal elevators
- Investigating overages or shortages of railcar or vessel cargoes
- Registering and cancelling grain elevator receipts as grain is moved into and out of terminal elevators
- Audits of all grain stocks in terminal and transfer elevators

Each fall, they collect samples of various grades of all grains and prepare grade standard samples for use as grading references.

They provide services to producers through prairie service centres.

GRAIN RESEARCH LABORATORY

The Grain Research Laboratory (GRL) is an internationally known research centre and the major Canadian centre for research on the quality of grain. Its scientists ensure that the processing quality of grain is maintained from cargo to cargo and from year to year, and they also engage in research to expand our scientific knowledge of what constitutes quality in grain. The laboratory performs a number of services, including

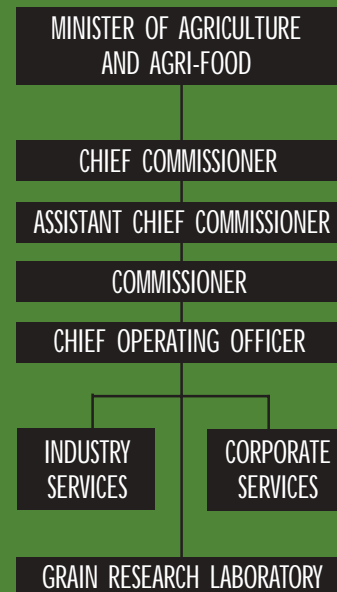
- Conducting annual harvest surveys on Canadian cereal grains and oilseeds—these surveys are a major source of information for marketers and their customers.
- Monitoring the quality of grains and oilseeds moving through the handling systems and publishing, on the CGC web site, quality data for cargoes shipped from Canadian ports
- Assessing the quality of plant breeders' selections and making recommendations about which selections should be approved as new varieties for growing in Canada
- Conducting research on grain and grain products—it answers such questions as what qualities in canola make the best oil, or what wheat makes the best noodles.
- Providing specialized services, such as certifying that grain shipments meet the most stringent requirements for grain safety

EXECUTIVE

The Executive sets policy and provides general direction for the organization.

Three commissioners set policy and carry out the broad objectives and provisions of the Act. Assistant commissioners in Canada's major grain-growing areas deal with inquiries from producers and the grain industry and publicize CGC activities in their regions. These positions are appointed by the Governor-in-Council.

Operations are headed by a chief operating officer who provides overall direction for Industry Services, the Grain Research Laboratory, Corporate Services and Finance.



SERVICE



■ CORPORATE SERVICES

Corporate Services is responsible for administration, communications, statistics, policy development, and information technology. Responsibilities include

- Providing statistical services to the CGC and maintaining and publishing statistics on grain handling, storage and movement—the CGC’s web site is a major source of statistics for the grain industry in Canada.
- Managing the licensing of grain dealers and elevator companies—the licensing unit ensures that licensees have enough money to cover payments to producers who have delivered grain to them.
- Allocating railcars to producers so that producers can load their own railcars and ship directly to terminal elevators or domestic markets
- Providing library services—the CGC’s library has one of the best collections on grain and oilseeds chemistry and technology and on all aspects of the grain industry.
- Providing the technical infrastructure, application software and client support which allows the CGC to disseminate information electronically to clients

■ GRAIN ELEVATORS

In western Canada, the CGC licenses primary, process and terminal elevators, as well as grain dealers. Grain dealers buy and sell western grain for profit either for themselves or others. They are not required to operate handling or storage facilities. We license transfer elevators in eastern Canada.

The CGC oversees delivery only at terminal and transfer elevators and publishes maximum charges for services offered by elevators and for the use of elevator space. We may also arbitrate in disputes over grain quality between buyers and sellers of grain.

Primary elevators are those that receive grain directly from producers. The elevator manager grades the grain as it is delivered.

Terminal elevators are located at Thunder Bay, Vancouver, Prince Rupert and Churchill. Grain is officially inspected by CGC staff as it is received at these elevators. It is stored at these terminals until it is moved for domestic or export use.

Transfer elevators are located on Georgian Bay, on the shores of lakes Huron, Erie and Ontario, along the St. Lawrence River, and at Halifax. They handle western and eastern grain destined for export. All grain shipped by vessel for direct export from licensed transfer elevators must be inspected.

Process elevators process grain and oilseeds for human consumption. They include flour mills, oilseed crushing plants, and malt houses.

■ GRAIN APPEAL TRIBUNAL

A Grain Appeal Tribunal receives appeals from producers and grain companies dissatisfied with grain grades assigned by CGC inspectors. The Tribunal is chaired by an experienced senior grain inspector, who reports to the chief commissioner and is independent of CGC operations. Other members of the Tribunal are selected from the grain industry.

■ GRAIN STANDARDS COMMITTEES

Two grain standards committees, one in eastern Canada and one in western Canada, meet regularly to make recommendations about changes to grades specifications and to discuss grain quality issues. These committees are composed of producers, grain handlers and marketeers, and representatives from Agriculture and Agri-Food Canada and the CGC.

One of the committees’ major functions each year is to approve the standard samples that are to be used as visual guides in the grading and marketing of that year’s crop.

FOR MORE INFORMATION

www.grainscanada.gc.ca

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