



The Canadian Wheat Board  
La Commission canadienne du blé

January 9, 2007

Mr. Gerry Ritz  
Chairman of the House of Commons  
Standing Committee on Agriculture and  
Agri-food  
613 Confederation Building  
Ottawa, ON K1A 0A6

Dear Mr. Ritz:

The Canadian Wheat Board (CWB) is pleased to respond to the recommendations of the House of Commons Standing Committee on Agriculture and Agri-food regarding the COMPAS Review of the Canadian Grain Commission (CGC), which was tabled in Parliament in September 2006.

As the Prairie farmer's marketing partner for wheat, durum and barley and the major client of the CGC, recommendations that will enhance the CGC's effectiveness and efficiency in grain quality assurance are welcome. The CGC has a long service record of assuring the quality of Canadian grain shipments to customers at home and around the world as well as protecting the interests of Canadian farmers in the grain handling and transportation value chain.

Wheat, durum and barley marketed through the CWB comprise the majority of the grains inspected by the CGC. Our interaction with the CGC is multi-faceted, beginning at the farm bin and carrying on through the grain storage and collection system then on to port for export or to domestic facilities for use in Canada.

It is from that position as a major client of the CGC that we respectfully submit our comments to the recommendations published by the Committee. Some Committee recommendations are on the whole supportive of positive change for the CGC. Other recommendations are problematic in that they detract from the supportive role that the CGC performs under the *Canada Grain Act*, particularly for the benefit of farmers and the marketing system.

The CWB agrees with the Standing Committee's recommendation to create a modern governance structure at the CGC, consisting of a Chief Executive Officer or President with an agricultural background. This recommendation was included in both the CWB submission as well as the COMPAS report. However, the Committee recommendation fails to include a board of directors structure which the CWB feels would support the executive and provide the CGC with effective governance and a direct link to the farming community.

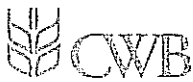
The CWB does not agree with the Committee's suggestion to remove wording in the *Canada Grain Act* that describes the mandate of the CGC to act "in the interest of grain producers". In the CWB submission to the COMPAS review, the CGC mandate to protect farmers' interests was described as critically important. The CGC remains one

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of the few remaining tools for farmers to achieve independent analysis and fairness in the value chain. The COMPAS report agreed and identified specific areas where the *Act* would protect farmers' rights. The CWB supports this approach to renewal of the *Act*.

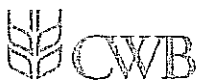
The CWB supports an advocacy process for farmers and the recommendation of COMPAS and the Standing Committee to create the Office of Grain Farmer Advocacy, replacing the Assistant Commissioners who are currently filling this role. However, the CWB questions the need for this Office to report directly to the Minister rather than the Deputy Minister. Governmental reporting structures can successfully use the Deputy Ministers' office to provide guidance and direction as well as serving as an effective conduit for highly charged and time-consuming issues before they reach the office of the Minister.

The CWB supports the Standing Committee recommendation of a proposed increase of \$40 million for research and development funding for the Grain Research Laboratory (GRL) of the CGC. This was a recommendation that was contained in the COMPAS report. The CWB does not support shifting the accountability/responsibility of the GRL to Agriculture and Agri-food Canada (AAFC) away from the CGC. A move like this would remove the linkages between the roles that sound science and research play in effectively managing the CGC's service and regulatory responsibilities. Further, as part of the overall AAFC research network, the role of the GRL (which is critical to Canada's high quality brand image) would be diminished significantly. It is important to understand that having the GRL as part of the CGC is key to maintaining a commercial focus on research that is relevant to Canada's grain and oilseed customers.

The Committee recommendation to abandon KVD requires careful and thoughtful analysis in order to maintain our Canadian reputation for quality to customers. Any elimination of KVD must be achieved without costing farmers and grain companies significantly more money for monitoring and policing. An industry-led examination of the issues organized by the CWB will be held in March in Saskatoon.

The Standing Committee's recommendations for optional inward grain inspection and the contracting out of grain inspection services are supported by the CWB as long as a) export quality is not adversely affected; b) the new processes continue to provide third party quality determination to provide the basis for settlement of payments when required and c) the new process meets information needs of terminals and CGC for handling and grading purposes. Also critical is ensuring that the CWB's costs for these new procedures do not increase relative to other users.

The CWB supports the recommendation to facilitate and maintain access to producer cars, which are an important alternate method of transportation and cost savings for farmers.



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We hope that you find these comments useful as you continue to deliberate on these issues. We are available at your convenience if you would like to explore these issues further.

Yours truly,

A handwritten signature in black ink that reads "Ken Ritter". The signature is written in a cursive style with a large initial "K" and a long, sweeping underline.

Ken Ritter  
Chair, CWB board of directors

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