



Canadian Grain Commission
Commission canadienne
des grains



Canadian Grain Commission

User Fees Consultation and Pre-
proposal Notification

November 2012

Ce document est aussi disponible en français.



Canada

About the Canadian Grain Commission

The Canadian Grain Commission is a federal agency. We administer and enforce the *Canada Grain Act* and the *Canada Grain Regulations*.

Under the Act and Regulations, we establish and maintain Canada's grain quality standards. We also regulate the grain industry to protect producers' rights and to ensure the integrity of grain transactions.

Because of our programs, shipments of Canadian grain are of a consistent quality, safety and quantity and they are able to meet the specifications of customers.

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1. Introduction

We, the Canadian Grain Commission, are proposing changes to our user fees and we want to consult with you, grain producers and industry stakeholders, about our proposed user fees, as well as our service standards and performance measures.

In 2010 and 2011, we conducted extensive user fees consultations based on services provided pursuant to the *Canada Grain Act* and the costs associated with those services. One of the major themes of feedback we received was that the *Canada Grain Act* and the Canadian Grain Commission's services needed to be streamlined before our user fees are updated. Based on this feedback, the Government has introduced amendments to the *Canada Grain Act* to streamline the operations of the Canadian Grain Commission through the *Jobs and Growth Act, 2012*.

The proposed changes to the *Canada Grain Act* would:

- Move the responsibility for inward inspection and inward weighing from the Canadian Grain Commission to the private sector. Also,
 - Provide a mechanism for shippers, including producer car shippers, to request third-party inspection and/or weighing by a company selected by the terminal elevator and authorized by the Canadian Grain Commission.
 - Provide elevator operators and shippers, including producer car shippers, the right to appeal to the Canadian Grain Commission for binding determination of grade and dockage if there is a disagreement.
 - Move the responsibility for inspection and weighing of domestic laker shipments from the Canadian Grain Commission to the private sector.
 - Eliminate the Grain Appeal Tribunal, registration and cancellation of receipts, and weigh-overs.
 - Provide an oversight role for the Canadian Grain Commission in the collection of inward inspection and weighing data.
 - Combine terminal and transfer elevators into a single class.
- Allow for a more cost effective insurance-based producer payment protection which would replace the current payment protection program.

These proposed changes to the *Canada Grain Act* will reduce our costs and thus the fees we charge to you. For example, prior to the proposed changes to the *Canada Grain Act*, costs for our services were \$93 million. With the proposed

changes to the *Canada Grain Act*, costs for our services would be reduced to approximately \$60 million.

We are required to consult again because our costs and fee structure would change as a result of the proposed amendments to the *Canada Grain Act*. For example, some fees such as our fees for inward inspection and weighing would be eliminated altogether. The fees for our licences would be reduced significantly from the amount that was proposed in 2011. Fees for outward inspection would increase because some of the costs for our core activities such as grain quality functions, research and standard setting that were previously to be partially recovered by our inward inspection and weighing fees would in the future need to be recovered from the outward inspection fee. These activities remain essential to Canadian grain quality and grain safety assurance.

Updated user fees will help maintain:

- Canada's reputation as a leader in grain quality;
- Our role in:
 - Grain quality, quantity and safety assurance;
 - Producer protection;
 - Integrity of grain transactions; and
- The timeliness and quality of our services to you.

We are consulting with you, following the guidelines of the *User Fees Act* and other government requirements.

This consultation document includes:

- Proposed user fees;
- Proposed service standards and performance measures; and
- Next steps.

We will release a summary of comments received during consultations once they have concluded.

2. Objective of user fees consultations

We are seeking your input about our proposed user fees, service standards and performance measures in order to develop:

- Fair and consistent user fees, service standards and performance measures for our services.
- A user fees cost recovery structure that provides us with the resources needed to continue providing our services to you.

3. Purpose of consultation document

The purpose of this *User Fees Consultation and Pre-proposal Notification* is to give:

- Official notice that we are proposing a revised schedule of user fees.
- The proposed service standards and performance measures.
- Stakeholders an opportunity to comment on the proposed fees, service standards and performance measures.
- Information on next steps.
- Information on our obligations and your opportunities under the *User Fees Act*.

4. Providing your input

4.1 We value your input. We want to hear:

- Your views about our proposed user fees as outlined in this document;
- Your feedback on our services, service standards and performance measures; and
- Your feedback on how changes may impact your operation.

4.2 Appropriate input excludes the following:

According to the *User Fees Act*, there are two categories of inappropriate complaints: frivolous and vexatious. We will consider all input with that in mind.

We consider input to be frivolous if, for instance:

- It contains no rational argument;
- It raises issues that go beyond the application of the *User Fees Act*, or
- It is based on incorrect assumptions that clearly demonstrate that the author has not made a reasonable effort to understand all the facts.

We consider input to be vexatious if, for instance:

- It uses inflammatory language or behaviour;
- It shows a wish to interfere with our operations or seeks to illegitimately discredit us with the public or media; or
- You disregard genuine attempts from us to respond to the input.

Please note that input targeting specific individuals will be dismissed, and any mention of specific individuals will be disregarded. All input containing offensive language will be dismissed.

4.3 How to submit your input

Your input must be received between November 1, 2012 and November 30, 2012 to be considered within this process. Input may be submitted electronically or via post mail. It must be received by midnight on November 30, 2012. Please note that your input must be written in either English or French.

You may submit your input electronically by email to:
consultations@grainscanada.gc.ca

Alternatively, you may submit your input by mail, to the following address. Please include a return address.

User Fees Comments
Canadian Grain Commission
600-303 Main Street
Winnipeg, MB R3C 3G8
Telephone: 204-983-2770
Fax: 204-983-2751

The following information is strongly recommended when submitting your input:

- Your full name.
- Your phone number.
- Your complete mailing address or your email address.

The following information is suggested when submitting your input:

- The reason for the input, as well as how it relates to our user fees proposal.
- How the proposal affects your interests, or those of the group you represent.
- Any additional information that is relevant.

It is recommended that you explain what type of resolution you seek, if applicable.

This document is also available on our website at www.grainscanada.gc.ca and the Consulting with Canadians website at www.consultingcanadians.gc.ca. If you have any questions, please contact us.

Thank you in advance for your contribution.

4.4 What happens when your input is received?

We will study your input while considering:

- Input received by other stakeholders on the same subject;
- The legal or policy implications of your proposals, if applicable;

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- The cost of your proposals, as well as the source of funding, if applicable; and
 - Consistency with broader Government of Canada policies and priorities.

You will then receive a written response before the end of the 30-day response and resolution period, which ends December 30, 2012. It will explain our position on the subject, and the rationale behind this position.

Our goal is to provide a response that you find satisfactory. However, if you submitted input in the nature of a complaint and you do not feel that it was resolved to your satisfaction, you have the option of requesting that it be examined by an independent advisory panel.

We are committed to an open and transparent process. Your input will be summarized in a report, and so cannot be considered confidential. However, if you have submitted input as an individual and do not represent a business, group or organization, your name will be protected pursuant to the *Access to Information Act and the Privacy Act*.

4.5 Independent advisory panels

If you submit input in the nature of a complaint as part of this process, we are committed to establishing clear lines of communication with you so that your complaint may be resolved. However, if you feel that you have not received a satisfactory response, you may ask that your complaint be reviewed by an independent advisory panel. This is a higher-level resolution mechanism. If an independent advisory panel is requested, its mandate is to provide an independent review of your complaint, as well as non-binding recommendations for its resolution. The panel consists of three members. You and we (the Canadian Grain Commission) will each choose one panel member following certain guidelines. Then, the two panel members will select a neutral third member.

If you wish to request an independent advisory panel, you must do so by December 30, 2012 and explain the reasons why the response you received from us was unsatisfactory. We will then contact you to provide you with more information on this process, including guidelines on how to select your panel member.

In accordance with the *User Fees Act*, we may group multiple complaints into one panel for reasons of economy or efficiency. In this case, a majority vote among the complainants will determine the panel member who will represent them.

The panel proceedings begin once all members have been selected. From this point, a maximum of 30 days is allotted for the panel to review the complaint and report its findings and recommendations. The work of the panel will be

considered complete when its final recommendations are received by us, or if you withdraw your complaint from the process. We will communicate the panel's recommendations to you at the end of the proceedings.

Please note that if, in the opinion of the panel, your complaint is inappropriate, you will bear all the costs of the proceedings.

4.6 Taking your input into account

The input submission process under the *User Fees Act* is not legally binding for the Government of Canada, but all input received, whether or not it is studied by a panel, will be documented and noted in our user fees proposal tabled in both Houses of Parliament.

4.7 Next steps after consultations

Following the conclusion of the official complaint period and any recommendations by an independent advisory panel, we expect to move forward with a formal proposal to change our user fees. Our formal proposal will take stakeholders' input and any panel recommendations into consideration.

The projected next steps are:

- The Minister of Agriculture and Agri-Food tables the user fees proposal in the House of Commons and the Senate. This is a requirement of the *User Fees Act*.
- We seek approval of a new fee schedule from the Governor in Council (Cabinet). This is a requirement of the *Canada Grain Act* and the government's regulatory process. Again, stakeholders will have an opportunity to comment on the new fee schedule proposal when it appears in the *Canada Gazette*, Part I¹.
- After any necessary adjustments, begin implementation of the new fees in 2013 through the *Canada Gazette*, Part II.

5. Background information

5.1 Our fees and funding

Most of our user fees have not been increased since 1991, but the cost of providing our services has continued to rise. Most of our current fees do not cover the cost of the services we provide. Overall, fee revenue now only accounts for about 50 percent of costs incurred in providing these services.

We aim to maintain these services we provide in a cost-effective way. However, within our current fee structure it is not enough. We will be better able to support

¹ The *Canada Gazette* is the official newspaper of the Government of Canada and can be accessed at <http://canadagazette.gc.ca/>.

our services to you and meet your evolving service needs by updating our user fees.

Since we began in 1912, we have charged fees to recover at least a portion of the costs of:

- Providing services to the Canadian grain industry; and
- Regulating grain handling in Canada.

5.2 Authority to change fees

We have the authority to establish or change our user fees with the approval of the Governor in Council. This authority is found in Paragraph 116(1)(r) of the *Canada Grain Act*.

“The Commission may, with the approval of the Governor in Council, make regulations, fixing, or prescribing the manner for determining, the fees for any service performed by or on behalf of the Commission and the fees for any licence issued by the Commission and prescribing the time and manner of payment of these fees.”

Before we introduce a new user fee, we must meet the requirements, expectations and conditions of the *User Fees Act* in addition to the regulatory process.

5.3 Legal and policy requirements

The *Canada Grain Act* gives us the legal framework for developing and implementing user fees. The *User Fees Act* gives us additional requirements that we must complete before we change our user fees. Annex 1 summarizes the requirements of the *User Fees Act*.

To increase a user fee or create a new one, we must:

- Complete a consultation process. This gives stakeholders the chance to voice their concerns or suggest improvements to our services.
- Complete an impact assessment of the user fee.
- Compare the user fees and service standards with other countries, if pertinent.
- Identify the cost to deliver the service.
- Identify what costs the user fee will address.
- Establish service standards and related performance measures.
- Establish an independent advisory panel to address complaints, if complaints arise.
- Report annually to Parliament.

We used the following Treasury Board Secretariat documents to guide us:

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- *User Charging in the Federal Government – a Background Document*;
 - *Guide to Costing*; and
 - *Policy on Service Standards for External Fees*.

The *User Fees Act* provides a framework for consultation on the establishment of user fees. However, changes to fees only come into effect after they have been set through the government regulatory process. As part of this process, we are planning to publish the following in the *Canada Gazette*:

- Our proposed fees schedule, including changes to individual fees; and
- Our impact analysis of the fees.

5.4 Guiding principles

We used the following principles to develop our proposed user fees and service standards. These principles are consistent with:

- Treasury Board Secretariat's guidelines.
- *User Fees Act*.

According to our guiding principles, we will:

- Consult stakeholders when we change or establish user fees and service standards.
- Set user fees to meet the costs of providing the service. As a government agency, we do not make a profit from our services.
- Clearly show how service standards and performance measures relate to user fees.
- Compare user fees to those in other countries where appropriate.
- Assess the impact of user fees on stakeholders.
- Minimize transaction costs in setting, collecting and administering user fees.
- Consistently apply new or increased user fees across services and regions.
- Create user fees that are easily adaptable to changes in the operating environment.
- Design user fees that are easy to update.
- Design user fees that can evolve with annual changes in costs.
- Simplify the user fees structure wherever possible.
- Address inconsistencies in the user fees structure.

5.5 Principles for setting user fees

We consulted with the industry about fees in 1985 and 1992. During these consultations, we adopted principles for setting user fees. We adopted these principles for our 2010 and 2011 user fees consultations as well.

In 1985, the Industry Fee Committee adopted these three principles:

- Costs should be recovered on an equitable basis for both eastern and western Canada.
- Charges should be made to users for all services wherever this is practical.
- Fees should be related to the costs.

In 1992, we and the grain industry recommended the following principles for our fees:

- Those who use or benefit from our services should pay appropriate fees.
- Fees should be market-driven and competitive.
- Judgment should be exercised in applying minor fees. This is to avoid excessive administration costs relative to revenue received.
- Where costs justify different fees, then different fees should be assessed.

The proposed fees are set to not exceed our costs over a 5-year period. The Government's revolving fund policy requires that we balance our revenues and expenses over a 5-year time horizon. A Revolving Fund is a fund or account whose income remains available to an organization to finance its continuing operations without any fiscal year limitation.

We are basing proposed changes to our user fees on average official outward inspection grain volumes from licensed terminal elevators². As actual volumes vary from year to year, this could result in revenues that may exceed the cost of providing services in a given year or which are less than the costs of services in other years. For example, in a year where we inspect a high volume of grain, the fees we collect may exceed the costs of the services we provide. However, in a year where we inspect a low volume of grain, the costs of our services may exceed the fees we collect.

² On average, the Canadian Grain Commission has inspected 23.3 million metric tonnes of grain upon official outward inspection over the last 15 crop years.

6. Our services

The following table lists and describes the services for which changes are being proposed to our user fees.

Table 1 - Canadian Grain Commission Services

Service	Description of service
Outward inspection	
1. Outward Official Inspection - ships	Official inspection of grain or screenings discharged to ships, and issuance of certificate.
2. Outward Official Inspection – railcars/ trucks/ containers	Official inspection of grain or screenings discharged to railcars, trucks or containers, and issuance of certificate.
Reinspection	
3. Reinspection of grain	Reinspection by the Chief Grain Inspector for Canada following (a) a disagreement from inward inspection; or (b) a disagreement from the grading of a submitted sample.
Monitoring outward weighing	
4. Monitoring of Official Outward Weighing - ships	Facilitation of official weighing of grain, grain products or screenings discharged to ships, in accordance with the Canadian Grain Commission's bulk weighing procedures and documentation policies, review of submitted weighing documentation and issuance of certificate.
5. Monitoring of Official Outward Weighing – railcars/ trucks/ containers	Facilitation of official weighing of grain, grain products or screenings discharged to railcars, trucks or containers, in accordance with the Canadian Grain Commission's bulk weighing procedures and documentation policies, review of submitted weighing documentation and issuance of certificate.
Inspection and weighing authorization	
6. Authorized service provider application	Processing of an authorized service provider application per year.
Supplementary fees for official inspection or official weighing	
7. Travel and Accommodation (outward inspection)	Cost of travel and accommodation to provide official outward inspection services in locations where on-site Commission inspection or weighing services are not available.
8. Time and One-half Overtime (outward inspection)	Overtime to provide official inspection services. Type (time and one-half or double time) of overtime and commencement of overtime are determined in accordance with the collective agreement applicable to inspectors (Primary Products Inspection Classification, Technical

Service	Description of service
	Services Group).
9. Double Time Overtime (outward inspection)	Overtime to provide official inspection services. Type (time and one-half or double time) of overtime and commencement of overtime are determined in accordance with the collective agreement applicable to inspectors (Primary Products Inspection classification, Technical Services Group).
10. Time and One-half Overtime – cancellation (outward inspection)	Overtime to provide official inspection services – late cancellation. No fee is payable for cancellation of overtime to provide official inspection services if notice of cancellation is received by the Commission no later than 2 p.m. on the day on which the inspection service is to be provided.
11. Double Time Overtime – cancellation (outward inspection)	Overtime to provide official inspection services – late cancellation – Saturday or holiday. No fee is payable for cancellation of overtime to provide official inspection services on a Saturday or a holiday if notice of cancellation is received by the Commission no later than 2 p.m. on the day – other than a Saturday or holiday – before that day.
12. Standby (outward inspection)	Employee on standby to provide official inspection or official weighing services during off-duty hours. Standby is determined in accordance with the collective agreement applicable to inspectors (Primary Products Inspection classification, Technical Services Group).
Licensing	
13. Full-term Licence	Issuance of licence (all classes) for a one-year term or, if the licence is issued following the expiry of one or more Short-term Licences, for a term that consists of the remainder of the year that began on the issuance of the first Short term Licence. Electronic archiving of grain handling data from licensees and publication of statistics about grain in Canada.
14. Short-term Licence	Issuance of licence (all classes) for one month or partial month.
Producer cars	
15. Producer car application	Processing of application for producer car.
Grading of submitted samples / Other services	
16. Grading of submitted sample – unofficial sample	Grading of unofficial sample of grain or screenings and issuance of certificate.
17. Grading of submitted sample — Certified Container Sampling Program	Grading of sample of grain or screenings taken by a company certified under the Certified Container Sampling Program of the Commission, and issuance of certificate.

Service	Description of service
18. Grading of Submitted Sample — Accredited Container Sampling Program	Grading of sample of grain or screenings taken by a third party accredited under the Accredited Container Sampling Program of the Commission, and issuance of certificate.
19. Optional weighing – railcars/ trucks/ containers	Optional official weighing services of railcars, trucks and containers are provided based on Canadian Grain Commission capability and capacity.
20. Optional inspection –railcars/ trucks/ containers	Optional official inspection services of railcars, trucks and containers are provided based on Canadian Grain Commission capability and capacity.
21. Special services	Special services where full inspection and weighing may not be available. E.g. monitoring, weigh-overs, hand sampling or probing services. Will be based on Canadian Grain Commission capability and capacity.
22. Additional analysis	An additional quality factor or specification will be provided, other than already reported, as required by the client. E.g. protein testing services and NIR determination of oil content in soybeans.
Sampling services	
23. Provision of samples	Grain companies or other stakeholders may request that the Canadian Grain Commission provide a portion of the Canadian Grain Commission's existing representative sample ³ . All samples will be sealed with a Canadian Grain Commission seal.
Analytical testing⁴	
24. Testweight (By Schopper Chondrometer)	A mechanical test to determine the density of grain. Results are reported.
25. Vomitoxin (Don) testing by ELISA technology	Vomitoxin (deoxynivalenol or DON) levels of the sample are tested using ELISA (enzyme-linked immunosorbent assay) technology and reported.
26. Berlese test	A Berlese test is used to detect and identify insect infestations. Results are reported.
27. Seed analysis – Non designated crops	Seed analysis provided on crops not designated under the <i>Canada Grain Act</i> . Results are reported.
28. Calibration samples	Calibration samples are provided to set, verify and monitor equipment performance and accuracy. Examples include protein and falling

³ Only those with an interest in the parcel of grain have the right to request samples.

⁴ The Canadian Grain Commission provides fee-for-service analytical tests to support the issuance of Canadian Grain Commission certificates of quality, to meet contract specifications, or to meet our producer protection mandate. If you need these tests for other grain quality related purposes, contact an analytical laboratory that provides this service. Analytical tests are based on Canadian Grain Commission testing capability and capacity.

Service	Description of service
	number calibration samples.
29. Aflatoxin and Zearalenone testing - ELISA method	Aflatoxin or zearalenone levels of the sample are tested using ELISA technology and reported in parts per billion.
30. Germination energy	The germination energy of the sample is tested and results are provided.
31. Moisture test	The moisture content of the sample is determined and provided.
32. Falling number (Hagberg)	The falling number of the sample is tested using the Hagberg test and results are reported.
33. Vomitoxin (Don) testing by gas chromatography	Vomitoxin (DON) levels of the sample are tested and reported using gas chromatography (GC) technology.
34. Ochratoxin Testing - HPLC (high pressure liquid chromatography) method	Ochratoxin levels of the sample are tested using the HPLC (high pressure liquid chromatography) testing method and results are reported.
35. Ochratoxin Testing	Ochratoxin levels of the sample are tested and results are reported.
36. Cadmium	Cadmium levels of the sample are tested and results are reported.
37. Alveograph	An alveograph test is performed on the sample and results are provided.
38. Amylograph	An amylograph test is performed on the sample and results are provided.
39. Farinograph	A farinograph test is performed on the sample and results are provided.
40. Milling, flour (Allis Chalmers)	Flour yield data is provided for a milled sample of common wheat using the Allis Chalmers mill.
41. Nitrogen/ protein (combustion)	Nitrogen or protein data of the sample is determined using the combustion nitrogen analysis method and results are provided.
42. Wet gluten content	The wet gluten content of the sample is determined using the ICC Standard Method 137/1 and the results are provided.
43. Chlorophyll index - International Organization for Standardization (ISO) method	The chlorophyll content of the sample is tested using the International Organization for Standardization method and the results are provided in milligrams per kilogram.
44. Fatty Acid composition -	The fatty acid composition (%) and calculated iodine value of the oil extracted from the sample are provided using the International

Service	Description of service
International Organization for Standardized method	Organization for Standardization method.
45. Oil content - International Organization for Standard nuclear magnetic resonance method	The oil content (%) for the sample is provided using the nuclear magnetic resonance instrument.
46. Free Fatty Acids, International Organization For Standard 729 (cargo certifications)	The free fatty acid content is provided and expressed as a percentage by weight of oleic acid in the extracted oil.
47. NIR Whole-Seed Analysis (cargo certification)	Oil content, crude protein content, chlorophyll content and total seed glucosinolate content of the sample are determined using NIR (near-infrared reflectance) and provided.
Documentation	
48. Documentation issued	<p>Providing the following types of supplemental documentation asked for by marketers or buyers:</p> <ul style="list-style-type: none"> • Certification • Letters of analysis, • Statements of assurance <p>Based on the Canadian Grain Commission's:</p> <ul style="list-style-type: none"> • Monitoring programs • Testing capability and capacity
49. Courier fees	Fee to recover the costs of couriering documentation and/or samples to clients.
50. Administration services	Fee for time spent on administrative activities such as faxing large amounts of documentation.

7. Proposed user fees

Table 2 below lists the proposed fee schedule for Canadian Grain Commission user fees for the following fiscal years:

- 2013-2014.
- 2014-2015.
- 2015-2016.
- 2016-2017.
- 2017-2018.

7.1 Annual increases

We anticipate an increase to our fees of 1.6 percent annually for the 2014-2015 to 2017-2018 fiscal year period to sustain our service standards for:

- Grain quality, quantity and safety assurance system.
- Producer protection.
- Integrity of grain transactions.

The 1.6 percent annual increase factor is based on:

- Estimated future capital and operating costs;
- Increases to capital and operating costs experienced over the last 20 years; and
- Estimated inflation.

We will review annual increase factors as part of our review cycle to ensure that an annual 1.6 percent increase remains appropriate.

7.2 More background about our proposed user fees

Some of the fees proposed in this document are not subject to the *User Fees Act* or the government's regulatory process. This includes fees for some optional services, analytical testing services and documentation fees. However, we are consulting on these fees to provide stakeholders with the opportunity to provide their input.

Proposed fees in this document may vary from the fees that are ultimately proposed in the *Canada Gazette*⁵, Part I. Any changes will be described at pre-publication. You will have further opportunity to comment when the proposed individual fees are published in the *Canada Gazette*, Part I.

Table 2 - Proposed Canadian Grain Commission User Fees

Fee No.	Fee name	Unit (per)	Proposed fee by fiscal year				
			2013-14	2014-15	2015-16	2016-17	2017-18
Outward Inspection							
1	Outward Official Inspection - ships	Tonne	\$1.60	\$1.63	\$1.65	\$1.68	\$1.70
2	Outward Official Inspection - railcars/trucks/	Inspection	\$143.99	\$146.29	\$148.63	\$151.01	\$153.43

⁵ The *Canada Gazette* is the official newspaper of the Government of Canada and can be accessed at <http://canadagazette.gc.ca/>.

Fee No.	Fee name	Unit (per)	Proposed fee by fiscal year				
			2013-14	2014-15	2015-16	2016-17	2017-18
	containers						
Reinspection							
3	Reinspection of grain	Re-inspection	\$70.48	\$71.61	\$72.76	\$73.92	\$75.11
Monitoring outward weighing							
4	Monitoring of Official Outward Weighing – ships	Tonne	\$0.15	\$0.16	\$0.16	\$0.16	\$0.16
5	Monitoring of Official Outward Weighing – railcars/ trucks/ containers	Railcar or truck or container	\$13.87	\$14.09	\$14.31	\$14.54	\$14.78
Inspection and weighing authorization							
6	Authorized service provider application	Application	\$140.97	\$143.22	\$145.52	\$147.84	\$150.21
Supplementary fees for official inspection							
7	Travel and accommodation (outward)	Actual	Cost calculated in accordance with the rate set out in the <i>Travel Directive</i> of the National Joint Council of the Public Service, or if no rate is set, actual cost.				
8	Time and One-half Overtime (outward)	Hour/employee	\$64.50	\$65.53	\$66.58	\$67.65	\$68.73
9	Double Time Overtime (outward)	Hour/employee	\$86.00	\$87.38	\$88.77	\$90.19	\$91.64
10	Time and One-half Overtime – Cancellation (outward)	Employee/reporting	\$193.50	\$196.60	\$199.74	\$202.94	\$206.18
11	Double Time Overtime – Cancellation (outward)	Employee/reporting	\$258.00	\$262.13	\$266.32	\$270.58	\$274.91
12	Standby	Hour/	\$43.00	\$43.69	\$44.39	\$45.10	\$45.82

Fee No.	Fee name	Unit (per)	Proposed fee by fiscal year				
			2013-14	2014-15	2015-16	2016-17	2017-18
	(outward)	employee					
Licensing							
13	Full-term Licence	Licence/ month	\$276	\$280	\$285	\$289	\$294
14	Short-term Licence	Licence	\$353	\$358	\$364	\$370	\$376
Producer cars							
15	Producer car application	Car	\$26.50	\$27.00	\$27.50	\$28.00	\$28.50
Grading of Submitted Samples / Other services							
16	Grading of submitted sample – unofficial sample	Sample	\$46.99	\$47.74	\$48.51	\$49.28	\$50.07
17	Grading of submitted sample – Certified Container Sampling Program	Sample	\$46.99	\$47.74	\$48.51	\$49.28	\$50.07
18	Grading of submitted sample – Accredited Container Sampling Program	Sample	\$46.99	\$47.74	\$48.51	\$49.28	\$50.07
19	Optional weighing – railcars/ trucks/ containers	Inspection	\$13.87	\$14.09	\$14.31	\$14.54	\$14.78
20	Optional inspection – railcars/ trucks/ containers	Inspection	\$143.99	\$146.29	\$148.63	\$151.01	\$153.43
21	Special services	Hour/ employee	\$140.97	\$143.22	\$145.52	\$147.84	\$150.21

Fee No.	Fee name	Unit (per)	Proposed fee by fiscal year				
			2013-14	2014-15	2015-16	2016-17	2017-18
22	Additional analysis	Analysis	\$46.99	\$47.74	\$48.51	\$49.28	\$50.07
Sampling Services							
23	Provision of samples	Sample	\$70.48	\$71.61	\$72.76	\$73.92	\$75.11
Analytical Testing⁶							
24	Testweight (By Schopper Chondrometer)	Analysis	\$35.24	\$35.81	\$36.38	\$36.96	\$37.55
25	Vomitoxin (Don) testing by ELISA technology	Analysis	\$281.94	\$286.45	\$291.03	\$295.69	\$300.42
26	Berlese test	Sample	\$35.24	\$35.81	\$36.38	\$36.96	\$37.55
27	Seed analysis - Non designated crops	Analysis	\$46.99	\$47.74	\$48.51	\$49.28	\$50.07
28	Calibration samples	Sample set	\$176.21	\$179.03	\$181.90	\$184.81	\$187.76
29	Aflatoxin and Zearalenone testing - ELISA method	Analysis	\$587.37	\$596.77	\$606.32	\$616.02	\$625.88
30	Germination energy	Analysis	\$458.15	\$465.48	\$472.93	\$480.50	\$488.18
31	Moisture test	Analysis	\$35.24	\$35.81	\$36.38	\$36.96	\$37.55
32	Falling number (Hagberg)	Analysis	\$70.48	\$71.61	\$72.76	\$73.92	\$75.11
33	Vomitoxin (Don) testing by gas chromatography	Analysis	\$968.51	\$984.00	\$999.75	\$1,015.74	\$1,031.99

⁶ The Canadian Grain Commission provides fee-for-service analytical tests to support the issuance of Canadian Grain Commission certificates of quality, to meet contract specifications, or to meet our producer protection mandate. If you need these tests for other grain quality related purposes, contact an analytical laboratory that provides this service. Analytical tests are based on Canadian Grain Commission testing capability and capacity.

Fee No.	Fee name	Unit (per)	Proposed fee by fiscal year				
			2013-14	2014-15	2015-16	2016-17	2017-18
34	Ochratoxin Testing - HPLC (high pressure liquid chromatography) method	Analysis	\$1,609.87	\$1,635.63	\$1,661.80	\$1,688.39	\$1,715.40
35	Ochratoxin Testing	Analysis	\$298.96	\$303.74	\$308.60	\$313.54	\$318.56
36	Cadmium	Test	\$234.95	\$238.71	\$242.53	\$246.41	\$250.35
37	Alveograph	Analysis	\$157.42	\$159.93	\$162.49	\$165.09	\$167.73
38	Amylograph	Analysis	\$340.68	\$346.13	\$351.66	\$357.29	\$363.01
39	Farinograph	Analysis	\$136.27	\$138.45	\$140.67	\$142.92	\$145.20
40	Milling, flour (Allis Chalmers)	Analysis	\$563.88	\$572.90	\$582.07	\$591.38	\$600.84
41	Nitrogen/ protein (combustion)	Analysis	\$199.71	\$202.90	\$206.15	\$209.45	\$212.80
42	Wet gluten content	Analysis	\$211.45	\$214.84	\$218.27	\$221.77	\$225.32
43	Chlorophyll index - International Organization for Standardization (ISO) method	Export contract certificate	\$234.95	\$238.71	\$242.53	\$246.41	\$250.35
44	Fatty Acid composition - International Organization for Standardized method	Export contract certificate	\$587.37	\$596.77	\$606.32	\$616.02	\$625.88
45	Oil content - International Organization for Standard nuclear magnetic resonance method	Export contract certificate	\$176.21	\$179.03	\$181.90	\$184.81	\$187.76

Fee No.	Fee name	Unit (per)	Proposed fee by fiscal year				
			2013-14	2014-15	2015-16	2016-17	2017-18
46	Free Fatty Acids, International Organization For Standard 729 (cargo certifications)	Document issued	\$211.45	\$214.84	\$218.27	\$221.77	\$225.32
47	NIR Whole-Seed Analysis (cargo certification)	Document issued	\$176.21	\$179.03	\$181.90	\$184.81	\$187.76
Documentation							
48	Documentation Issued	Document issued	\$77.50	\$78.74	\$80.00	\$81.27	\$82.58
49	Courier fees	Actual	Actual	Actual	Actual	Actual	Actual
50	Administration services	Hour (Charged by 15-minute increments)	\$140.97	\$143.22	\$145.52	\$147.84	\$150.21

8. How changing user fees would affect you

If fully implemented, the proposed changes to our fees would increase our user fees revenue, in an average grain volume year, to approximately \$54.3 million per year. The higher revenue from user fees would amount to approximately 0.4 percent of sales of Canadian grain for export⁷. This is significantly lower than the impact would have been from the fees that were proposed before changes to amend the *Canada Grain Act* were introduced in Parliament in October 2012. Prior to the introduction of these proposed changes, the revenues from fees for our services were forecast to be \$87.6 million per year.

For a table of our current fees compared to the proposed fees with and without the proposed changes to the *Canada Grain Act*, please refer to Annex 2.

8.1 Producers and Grain Companies

The proposed user fees changes would result in increased user fees for many of our services for producers, grain companies and grain marketers. To understand how you would be affected by proposed changes to our user fees, we analyzed current fees and costs in the Canadian grain industry.

⁷ Canada exported approximately \$13.75 billion dollars in grain during 2011. (Source: Statistics Canada, May, 2012)

The total estimated cost of moving wheat from a mid-prairie point to export position via the St. Lawrence ports was approximately \$93.33/tonne in the 2010-11 crop year. The total estimated cost of moving wheat from a mid-prairie point to export position via the Pacific seaboard was approximately \$83.44/tonne in the 2010-11 crop year. This includes costs such as primary elevator costs, railway freight, marketing costs, terminal elevator costs and transportation costs. Our fees are built into these costs⁸.

Our proposed fees are approximately \$1.82/tonne or 1.9 percent of the total cost of moving wheat from a mid-prairie point to export position via the St. Lawrence ports or 2.2 percent of the total cost of moving wheat from a mid-prairie point to export position via the Pacific seaboard⁹. This is significantly lower than the impact of fees we proposed before changes to streamline our operations were introduced in Parliament in October 2012. Prior to the introduction of these proposed changes, costs for our regulatory services would have been approximately \$3.07/tonne or 3.3 percent of the total cost of moving wheat from a mid-prairie point to export position via the St. Lawrence ports or 3.7 percent of the total cost of moving wheat from a mid-prairie point to export position via the Pacific seaboard.

Alternatively, the impact of the fee adjustments can be compared to other fees and costs in the grain industry. To do this, we analyzed average maximum elevator tariffs for the 2010-11 crop year. These tariffs are for the services that elevators commonly provide for grain. Elevators set their own tariffs and can charge producers up to the maximum tariff they have listed. We found that our proposed fees appear to be low relative to maximum elevator tariffs. Because our fees are low relative to these elevator tariffs, the impact of our fees should have a lower impact than the fees for elevator services.

Table 3 – Crop Year 2010-2011 Average maximum licensed primary, process, transfer and terminal elevator tariffs

	Wheat	Oats	Barley	Rye	Flax	Canola	Corn	Sunflower	Soybeans	Other grains
	\$/tonne									
Elevation	11.53	14.27	13.37	11.31	14.45	14.40	11.41	26.44	13.86	19.61
Cleaning*	5.02	6.72	7.19	5.00	8.26	7.00	5.62	14.39	7.05	8.01
Dockage Removal	6.43	6.84	8.73	5.61	8.93	7.69	5.83	13.38	6.93	7.49
Storage	0.09	0.12	0.10	0.09	0.10	0.11	0.09	0.15	0.09	0.11
Drying**	13.99	19.60	14.69	14.96	17.26	19.20	21.06	29.24	25.26	18.56

*cleaned grain not returned to owner

**drying tough grain, not returned to owner

⁸ Source: Canadian Grain Commission, Canadian Grain Exports, Crop Year 2010-11

⁹ The proposed fee of \$1.82/tonne includes outward inspection, monitoring of outward weighing and licensing.

8.2 Canadians

Our proposed user fees are based on the organization retaining our annual appropriation of \$5.45 million. This will hold the cost to the federal government, and ultimately Canadian taxpayers, at \$5.45 million annually as a result of the recognition of our public benefit activities. Spread over approximately 16.9¹⁰ million taxpayers, or 34.5¹¹ million Canadians annually, this works out to \$0.32 per taxpayer or \$0.16 per Canadian for the amount of public benefit they receive from the Canadian Grain Commission's grain quality and safety assurance activities. This amount is low given that many Canadians consume at least one of the 21 regulated grains under the CGA on a daily basis¹².

Our need for annual ad hoc appropriation has ranged from \$14.75 million to \$36.90 million per year over the 1999-00 to 2011-12 fiscal years. The proposed updates to user fees will eliminate our need for federal ad hoc appropriation. This will allow the government to use taxpayers' funds for alternative purposes.

9. Comparison to user fees in other countries

We compared our proposed user fees and service standards to fees in the United States and Australia. This comparison is a requirement under the *User Fees Act*. We concluded that our proposed changes to user fees and service standards are consistent with user fees in these countries. The United States and Australia have approaches to user fees and services standards that are similar to our own, here in Canada.

However, these comparisons are limited because these countries have different fee structures due to factors such as:

- Resource and service levels.
- User profiles.
- Regulatory objectives.
- Sources of revenue.

Refer to Annex 3 for a complete analysis of the user fees in the United States and Australia.

10. Review cycle

Each year, the Minister is required to table a report on user fees in Parliament. This is required under the *User Fees Act*. The user fees report includes an explanation of:

- The service to which the user fee applies.

¹⁰ Taxable returns to Canada Revenue Agency for 2008. <http://www.cra-arc.gc.ca/gncy/stts/gb08/pst/fnl/html/tbl1-eng.html>

¹¹ Canada's population as of the second quarter of 2011. <http://www.statcan.gc.ca/daily-quotidien/110928/dq110928c-eng.htm>

¹² The 21 regulated grains are: barley, beans, buckwheat, canola, chick peas, corn, fababeans, flaxseed, lentils, mixed grain, mustard seed, oats, peas, rapeseed, rye, safflower seed, solin, soybeans, sunflower seed, triticale and wheat.

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- The related service standards and actual performance levels.
 - The costs related to individual services to which a fee applies.

We will also establish a review cycle that will repeat every five years. We may address issues outside of the five-year review cycle as warranted.

Our reviews will:

- Build on the annual report to Parliament.
- Include a review of services offered.
- Be used to identify and address fee inconsistencies.
- Be used to identify and address opportunities to simplify the fee structure.
- Examine services that are no longer cost-recovered.
- Continue to explore efficiencies.

11. How we determined costs

The method we used to determine costs is consistent with the principles found in the Treasury Board Secretariat's *Guide to Costing*.

To find the full cost of our services, we:

1. Determined the activity or service for which we charge fees.
2. Identified all of the costs for each activity or service.
3. Classified each cost as direct or indirect.
4. Allocated direct and indirect costs for each activity or service.
5. Reviewed and confirmed results.

A direct cost is directly related to providing the service. For example, a piece of equipment required for a specific analytical test is a direct cost of providing that test.

An indirect cost is indirectly related to providing the service. For example, information technology is an indirect cost because this is not part of providing a specific service, but is necessary to our overall operations and Canadian grain quality assurance.

To determine the full cost of all our services, we took into account all the direct and indirect costs we use to perform each service. This includes costs such as:

- Laboratory services.
- Equipment and capital.
- Facilities.
- Employee salaries.

-
- Management.
 - Administrative support.

We identified the direct costs of each service and distributed the proportion of indirect costs related to each service on the basis of objective criteria about the relevant cost driver, such as salary costs. A cost driver is the main component of a cost.

Our cost calculations are based on:

- Information about how much we expect to spend on services in a normal year.
- A capital asset replacement factor.
- Average annual grain volumes we inspect¹³.
- Service standards we have committed to provide to you.

We will use the full cost information:

- For reporting purposes.
- As a starting point for determining the amount of an individual user fee.

11.1 Fee calculation example

We developed our fees based on our estimated annual volume of business for each service. For example, our costs for outward inspection were estimated based on the assumption that we would annually inspect 23.3 million tonnes of grain on outward inspection. In order for us to be able to inspect this amount of grain on outward inspection we will require about 114 full time equivalent employees to directly provide the service. We will also need about 208 full time equivalent employees to provide indirect support work such as management, grain standards, training, Grain Research Lab, and Internal Services support. Direct and indirect non-salary costs of \$13.8 million for outward inspection have also been factored in.

See Annex 4 for a table illustrating how we determined our costs.

11.2 Public benefit appropriation

Proposed user fees are based on us continuing to receive annual appropriation of \$5.45 million for our public benefit activities. Historically this has been used to cover a portion of the costs related to the grain quality research program and functions that were associated with Assistant Commissioner positions. The last Assistant Commissioner term ended in June 2008 and Assistant Commissioner functions have been assumed by our Commissioners, and by our licensing and communications units. As a result, 91 percent of our costs would be recovered

¹³ On average, the Canadian Grain Commission has inspected 23.3 million metric tonnes of grain upon official outward inspection over the last 15 crop years.

through user fees and the remaining 9 percent would be funded by annual appropriation to fund public benefit activities.

11.3 Total Projected Costs and Revenues

If user fees are updated as described in this document, and applied against the average annual grain volume that we have inspected on official outward inspection over the last 15 years, the expected user fees revenues will represent an increase of approximately \$16.0 million annually from our current annual revenue. We expect user fees revenues in the first full year of implementation would be approximately \$54.3 million.

The following table provides our activity costs and regulatory revenue estimates for the 2013-14 through 2017-18 fiscal years.

Table 4 – Projected Costs and Revenues

Fiscal Year	Activity Costs	Revenue Estimates	Appropriation	Transitional Funding
2013-14	\$70.31M	\$48.11M	\$5.45M	\$16.75M
2014-15	\$59.74M	\$54.29M	\$5.45M	\$0
2015-16	\$60.69M	\$55.24M	\$5.45M	\$0
2016-17	\$61.66M	\$56.21M	\$5.45M	\$0
2017-18	\$62.65M	\$57.20M	\$5.45M	\$0

12. Service standards, performance measurement and tracking

We have developed service standards for each of our services. Refer to page 13 for descriptions of these services.

To develop these standards, we observed the principles of:

- Objectivity – standards are based on facts.
- Feasibility – standards are based on what is realistically possible.
- Measurability – standards are based on what is quantifiable.

Service standards tell you:

- How quickly you will receive service.
- What quality of service you will receive.

Performance measures:

- Tell you how well we are meeting our service standards.
- Support our annual reporting to Parliament.

In order to assess the timeliness of service delivery, we will monitor and record how we are meeting each of our service standards. Our performance in meeting

these service standards will be reported annually in our Departmental Performance Report in accordance with the requirements of the *User Fees Act*.

Table 5 – Proposed service standards for user fees

Fee No.	Fee name	Service standard
Outward inspection		
1	Outward Official Inspection - ships	<ul style="list-style-type: none"> • When grain being loaded is other than grade ordered, the Canadian Grain Commission will inform the elevator staff by form IW-7. • Applicable documents for final outward inspection will be issued within two business days after all of the following have been met: <ul style="list-style-type: none"> a) completion of loading; b) receipt of final documentation request from the shipper / exporter; and c) completion of all required analytical testing results. • Grades are accurate (based on the official sample).
2	Outward Official Inspection - railcars/ trucks/ containers	<ul style="list-style-type: none"> • When grain being loaded is other than grade ordered, the CGC will inform the elevator staff by form IW-7. • Applicable documents for final outward inspection will be issued within two business days after all of the following has been met: <ul style="list-style-type: none"> a) completion of loading; b) receipt of final documentation request from the shipper / exporter; and c) completion of all required analytical testing results. • Grades are accurate (based on the official sample).
Reinspection		
3	Reinspection of grain	<ul style="list-style-type: none"> • Reinspection by the Chief Grain Inspector for Canada will be complete and results will be available within ten business days of the reinspection request.
Monitoring outward weighing		
4	Monitoring of Official Outward Weighing – ships	<ul style="list-style-type: none"> • Applicable documents for final outward weighing will be issued within two business days after all of the following has been met: <ul style="list-style-type: none"> a) completion of loading; b) reporting of weights and documentation to the CGC; c) receipt of final documentation request from the shipper /

Fee No.	Fee name	Service standard
		exporter, and d) completion of all required analytical testing results.
5	Monitoring of Official Outward Weighing - railcars/ trucks/ containers	<ul style="list-style-type: none"> Applicable documents for final outward weighing will be issued within two business days after all of the following has been met: <ul style="list-style-type: none"> a) completion of loading; b) reporting of weights and documentation to the CGC; c) receipt of final documentation request from the shipper / exporter; and d) completion of all required analytical testing results.
Inspection and weighing authorization		
6	Authorized service provider application	<ul style="list-style-type: none"> A decision will be made with respect to the authorization of a service provider within ten business days of receiving a complete application form. The applicant will be notified within one business day of authorization being given. The Canadian Grain Commission's website is updated within three business days of the effective date of the change on the status of an authorized service provider.
Supplementary fees for official inspection or official weighing		
7	Travel and Accommodation (outward)	<ul style="list-style-type: none"> Refer to the applicable service standards for inward and outward inspection and weighing.
8	Time and One-half Overtime (outward)	<ul style="list-style-type: none"> Refer to the applicable service standards for inward and outward inspection and weighing.
9	Double Time Overtime (outward)	<ul style="list-style-type: none"> Refer to the applicable service standards for inward and outward inspection and weighing.
10	Time and One-half Overtime – cancellation (outward)	<ul style="list-style-type: none"> Refer to the applicable service standards for inward and outward inspection and weighing.
11	Double Time Overtime – cancellation (outward)	<ul style="list-style-type: none"> Refer to the applicable service standards for inward and outward inspection and weighing.
12	Standby (outward)	<ul style="list-style-type: none"> Refer to the applicable service standards for inward and outward inspection and weighing.

Fee No.	Fee name	Service standard
Licensing		
13	Full-term Licence	<ul style="list-style-type: none"> • Licensees will be sent licence renewal packages three months prior to the annual licence renewal date. • After the renewal deadline and prior to the renewal date, a decision will be made with respect to the issuance of a licence. • The licensee will be notified within one business day of the licence being issued. • The licence will be mailed to the licensee within five business days from the effective date of the licence. • The Canadian Grain Commission's website will be updated within three business days of the effective date of a change in the status of a licensee. • Licensee inquiries will receive a response within one business day. • Publication of grain elevator, grain handling and elevator tariff reports.
14	Short-term Licence	<ul style="list-style-type: none"> • Licensees will be sent a short-term licence notification within five business days from the effective day of the licence. • After the renewal deadline and prior to the renewal date, a decision will be made with respect to the issuance of a licence. • The licensee will be notified within one business day of the licence being issued. • The licence will be mailed to the licensee within five business days from the effective date of the licence. • The Canadian Grain Commission's website will be updated within three business days of the effective date of a change in the status of a licensee. • Licensee inquiries will receive a response within one business day.
Producer cars		
15	Producer car application	<ul style="list-style-type: none"> • Written acknowledgement of the receipt and processing of a complete producer car application will be mailed by the end of the next business day.
Grading of Submitted Samples		
16	Grading of submitted sample - unofficial sample	<ul style="list-style-type: none"> • An I-126 submitted sample certificate will be issued within five business days of receiving the sample and completion of all required analytical testing results, depending on operational commitment.

Fee No.	Fee name	Service standard
		<ul style="list-style-type: none"> Grades are accurate (based on the submitted sample).
17	Grading of submitted sample – Certified Container Sampling Program	<ul style="list-style-type: none"> An I-125 submitted sample certificate will be issued within five business days of receiving the sample and completion of all required analytical testing results, depending on operational commitment. Grades are accurate (based on the submitted sample).
18	Grading of Submitted Sample – Accredited Container Sampling Program	<ul style="list-style-type: none"> An I&W 3 official inspection certificate will be issued within five business days of receiving the sample and completion of all required analytical testing results, depending on operational commitment. Grades are accurate (based on the official sample).
19	Optional weighing – railcars/ trucks/ containers	<ul style="list-style-type: none"> Canadian Grain Commission staff weigh grain, as mandated by the <i>Canada Grain Act</i> and as per operational commitments. Applicable documents for final outward weighing will be issued within two business days after all of the following has been met: <ul style="list-style-type: none"> a) completion of loading; b) receipt of final documentation request from the shipper / exporter, and c) completion of all required analytical testing results.
20	Optional inspection – railcars/ trucks/ containers	<ul style="list-style-type: none"> Canadian Grain Commission staff inspect grain, as mandated by the <i>Canada Grain Act</i> and as per operational commitments. When grain being loaded is other than grade ordered, the Canadian Grain Commission will inform the elevator staff by form IW-7. Applicable documents for final outward inspection will be issued within two business days after all of the following have been met: <ul style="list-style-type: none"> a) completion of loading; b) receipt of final documentation request from the shipper / exporter; and c) completion of all required analytical testing results. Grades are accurate (based on the official sample).
21	Special services	<ul style="list-style-type: none"> Canadian Grain Commission staff provide special services as per operational commitments and the <i>Canada Grain Act</i>. Applicable documents with inspection and/or weighing results will be issued within two business days after all of the

Fee No.	Fee name	Service standard
		<p>following have been met:</p> <p>a) completion of the special service;</p> <p>b) receipt of final documentation request from the shipper / exporter; and</p> <p>c) completion of all required analytical testing results.</p>
22	Additional analysis	<ul style="list-style-type: none"> Documents detailing the results of all inspection support services will be forwarded within two business days after all of the following have been met: <ul style="list-style-type: none"> a) receipt of final documentation request from the shipper / exporter; and b) completion of all required analytical testing results.
Sampling services		
23	Provision of Samples	Samples will be provided on request, upon completion of the loading of the conveyance.
Analytical testing¹⁴		
24	Testweight (By Schopper Chondrometer)	Documents detailing test weight analysis will be complete and forwarded within two business days of the sample being received.
25	Vomitoxin (DON) testing by ELISA technology	Documents detailing results of the vomitoxin (DON) test by ELISA will be completed and forwarded within three business days of the sample being received.
26	Berlese test	Results are provided to the client within two business days of the sample being received at the regional laboratory.
27	Seed Analysis – Non Designated Crops	Results will be provided within five business days of receiving the sample, dependent upon operational commitment.
28	Calibration Samples	Sample sets are provided on request, for Grain Research Laboratory validated methods.
29	Aflatoxin and Zearalenone testing – ELISA method	Documents detailing the results of the aflatoxin or zearalenone test will be complete and forwarded within three business days of the sample being received.
30	Germination energy	Documents detailing the results of the germination energy level will be complete and forwarded within seven business days of the

¹⁴ The Canadian Grain Commission provides fee-for-service analytical tests to support the issuance of Canadian Grain Commission certificates of quality, to meet contract specifications, or to meet our producer protection mandate. If you need these tests for other grain quality related purposes, contact an analytical laboratory that provides this service. Analytical tests are based on Canadian Grain Commission testing capability and capacity.

Fee No.	Fee name	Service standard
		sample being received.
31	Moisture test	Moisture test documentation is distributed to all interested within two business days from the date of the sample being received.
32	Falling number (Hagberg)	Documents detailing the falling number result (Hagberg) will be completed and forwarded within five business days of the sample being received.
33	Vomitoxin (DON) testing by gas chromatography (GC)	Documents detailing results of the vomitoxin (DON) test by GC will be completed and forwarded within seven business days of the sample being received.
34	Ochratoxin testing – HPLC method	Documents detailing results of the ochratoxin test by HPLC will be completed and forwarded within seven business days of the sample being received.
35	Ochratoxin testing	Documents detailing results of the ochratoxin test will be completed and forwarded within seven business days of the sample being received.
36	Cadmium	Test results from the Cadmium test will be completed and forwarded within two business days of the sample being received.
37	Alveograph	Documents detailing the results of the alveograph will be completed and forwarded within three business days after: a) milling of sample (see milling service standard) and b) sample stabilization (seven consecutive days).
38	Amylograph	Documents detailing the results of the amylograph will be completed and forwarded within three business days after: a) milling of sample (see milling service standard).
39	Farinograph	Documents detailing the results of the farinograph will be completed and forwarded within three business days after: a) milling of sample (see milling service standard) and b) sample stabilization (seven consecutive days).
40	Milling, flour (Allis Chalmers)	The sample will be milled, results will be documented and the flour will be forwarded for further testing within five business days of receiving the sample.
41	Nitrogen/protein (combustion)	Documents detailing the nitrogen/protein content will be provided within three business days of receiving the sample.
42	Wet gluten content	Documents detailing wet gluten content will be completed and forwarded within three business days after: a) milling of sample (see milling service standard).

Fee No.	Fee name	Service standard
43	Chlorophyll index – International Organization for Standardization (ISO) method	Documents detailing chlorophyll content will be reported within two business days of receiving the sample.
44	Fatty acid composition – International Organization for Standardization (ISO) method	Documents detailing the fatty acid profile will be reported within two business days of receiving the sample.
45	Oil content – International Organization for Standardization (ISO) method	Documents detailing the oil content will be reported within two business days of receiving the sample.
46	Free fatty acids, International Organization for Standard (ISO) 729 (cargo certifications)	Documents detailing the free fatty acid profile will be reported within two business days of receiving the sample.
47	NIR whole-seed analysis (cargo certification)	Documents detailing the NIR (near-infrared) whole-seed analysis will be reported within two business days of receiving the sample.
Documentation		
48	Documentation Issued	Applicable documents will be issued within two business days after: a) completion of the analysis of the sample representing the conveyance; b) receipt of final documentation request from the shipper / exporter; and c) completion of all required analytical testing results.
49	Courier fees	Not applicable
50	Administration services	Documentation will be transmitted as requested.

Annex 1: Requirements of the *User Fees Act*

The *User Fees Act* (2004) outlines the process federal departments and agencies must follow when they:

- Introduce new user fees.
- Increase existing user fees.
- Change the services user fees apply to.

The *User Fees Act* process has the following phases:

1. Consultation and Pre-proposal notification.
2. Parliamentary tabling.
3. Implementation.

Our implementation phase will involve making user fees regulations with the approval of the Governor in Council.

Phases of the User Fees Act

Phase 1: Consultation and Pre-proposal notification

The *User Fees Act* requires we:

- Consult with stakeholders.
- Give stakeholders a reasonable opportunity to suggest ways to improve the services for which the user fees will be charged.

The consultation must include:

- An explanation of how the user fee is determined.
- A description of the standard of service that can be expected.
- A business impact assessment.
- A comparison of the proposed user fee and service standards with those of other countries.

In this phase, we are also:

- Giving official notice that we are proposing a new or revised user fee.

We are combining consultations and pre-proposal notification due to our extensive consultations in 2010-11. If, during this phase, a stakeholder brings forward an issue that cannot be resolved and makes an official complaint in writing, the stakeholder may request that the issue be referred to an independent advisory panel. This panel will review and make recommendations to resolve

complaints. Refer to Section 4 of this document for information about how to submit your input.

The independent advisory panel has three members:

- A member selected by us;
- A member selected by the complainant; and
- A member selected by the other two members.

Before the proposal is tabled in Parliament, we may change it based on the consultations and independent advisory panel recommendations.

Phase 2: Tabling user fees proposal in Parliament

The Minister of Agriculture and Agri-Food Canada tables our user fees proposal in the House of Commons and the Senate.

The proposal contains:

- A description of each service.
- The reason why each user fee is being charged.
- The associated service standard.
- An estimate of total fee revenue projections for the first three years.
- A comparison of user fees and service standards to those in other countries where appropriate.
- A description of how any complaints were dealt with.
- The report of the independent advisory panel, if applicable.

When the user fees proposal is tabled, it is also referred to a committee of the House of Commons and a committee of the Senate. These committees may submit a report containing recommendations about appropriate user fees.

Both the House of Commons and the Senate have 20 sitting days to pass a resolution to approve, reject or amend the committees' recommendations. After 20 sitting days, even if the committees have not made a report, this step is completed.

Phase 3: Implementation of the new user fees

Once the user fees proposal has been tabled in Parliament, the Canadian Grain Commission, with the approval of the Governor in Council, has the authority under the *Canada Grain Act* to set new fees.

New fees are set in accordance with legislative authority. The Minister reports annually on all user fees that have been set. This is a requirement of the *User*

Fees Act. The Minister's report will include an assessment of how we meet our service standards.

For more information about the user fee approval process, visit the Treasury Board Secretariat's website, <http://www.tbs-sct.gc.ca/fm-gf/ktopics-dossiersc/fms-sgf/uf-fu/menu-eng.asp>.

Annex 2: Our user fees

Table 6 – Comparison of the Canadian Grain Commission’s current fees and proposed fees with the proposed amendments to the *Canada Grain Act*

Fee Name	Unit (per)	Current Fee	Proposed Fee for 2013-14 with proposed amendments to the <i>Canada Grain Act</i>
Inward Inspection			
Inward Official Inspection - railcars/ trucks/containers	Inspection	\$20.10 - \$27.10	Not Applicable
Outward Inspection			
Outward Official Inspection – ships	Tonne	\$0.51	\$1.60
Outward Official Inspection – railcars/ trucks/containers	Inspection	\$29.00	\$143.99
Reinspection			
Reinspection of grain	Re-inspection	\$7.50 - \$25.00	\$70.48
Inward weighing			
Inward Official Weighing - railcars/ trucks/containers	Railcar or truck or container	\$5.90	Not Applicable
Outward Weighing			
(Monitoring) Outward Official Weighing – ships	Tonne	\$0.27	\$0.15
(Monitoring) Outward Official Weighing – railcars/ trucks/containers	Railcar or truck or container	\$18.00	\$13.87
Inspection and weighing authorization			
Authorized service provider application	Application	Not Applicable	\$140.97
Supplementary fees for official inspection or official weighing			
Travel and Accommodation	Trip	Actual	Actual

Fee Name	Unit (per)	Current Fee	Proposed Fee for 2013-14 with proposed amendments to the Canada Grain Act
Time and One-half Overtime	Hour/ employee	\$14.20	\$64.50
Double Time Overtime	Hour/ employee	\$21.00	\$86.00
Time and One-half Overtime – cancellation	Employee reporting	\$107.20	\$193.50
Double Time Overtime – cancellation	Employee reporting	\$107.20	\$258.00
Standby	Employee	\$23.20	\$43.00
Registration and Cancellation of Receipts			
Elevator Receipt Registration / Warehousing of inspection and weighing data (Inward)	Tonne	\$0.08	Not Applicable
Elevator Receipt Cancellation / Warehousing of inspection and weighing data (Outward)	Tonne	\$0.08	Not Applicable
Licensing			
Full-term Licence	Licence/ month	\$5 or \$100	\$276
Short-term Licence	Licence	Not Applicable	\$353
Producer cars			
Producer car application	Car	\$20.00	\$26.50
Grading of submitted samples			
Grading of submitted sample	Sample	\$15.10 - \$24.47	\$46.99
Samples			
Provision on samples	Sample	\$31.00	\$70.48
Analytical testing			
Analytical tests	Analysis	\$5.00 - \$395.00	\$35.24 - \$1,609.87
Documentation			

Fee Name	Unit (per)	Current Fee	Proposed Fee for 2013-14 with proposed amendments to the <i>Canada Grain Act</i>
Documentation issued	Document issued	\$2.50 - \$24.00	\$77.50
Total Revenue Estimates from User Fees		\$37.6M	\$54.3M

Annex 3: Comparison to user fees and service standards in the United States and Australia

The *User Fees Act* requires a regulating authority to establish user fees and service standards that are comparable to those established by other countries with which a comparison is relevant and, against which the performance of the regulating authority can be measured. As a result, we reviewed the regulatory regimes in the United States and Australia, the two countries with the most comparable grain sectors. It was found that the proposed changes to our user fees are consistent with user fees for similar services in the United States and Australia. The United States and Australia have approaches to user fees and service standards that are similar to those in Canada. However, these comparisons are limited because these countries have different fee structures due to factors such as different resource and service levels, service delivery models, user profiles, regulatory objectives, and sources of revenue.

The following section provides a summary of the similarities and differences of the three countries regarding organizational roles in the grain industry, how user fees are amended, user fees increases, public benefit activities and service standards. More detailed information is available towards the end of this annex.

Organizational Role in Grain Industry

- Canada
 - The Canadian Grain Commission is a federal government agency. The Canadian Grain Commission has one strategic outcome: “Canadian grain is safe, reliable and marketable and Canadian grain producers are protected”.
 - The Canadian Grain Commission regulates Canada’s grain handling system and provides services to the grain industry.
 - The Canadian Grain Commission’s five program activities are:
 - Quality assurance program;
 - Quantity assurance program;
 - Grain quality research program;
 - Producer protection program; and
 - Internal services.
- United States
 - The Grain Inspection, Packers and Stockyards Administration (GIPSA) is the United States Department of Agriculture’s agency that facilitates the marketing of livestock, poultry, meat, cereals, oilseeds, and related agriculture products, and promotes fair and competitive trading practices for the overall benefit of consumers and American agriculture.
 - Specifically, the Federal Grain Inspection Service (FGIS) within GIPSA is the equivalent agency in the United States to the

Canadian Grain Commission that provides the following program activities:

- Establishing quality standards;
- Regulating handling practices; and
- Managing a network of federal, state and private entities that provide inspection and weighing.
- The Federal Grain Inspection Service:
 - Is committed to developing new technology or expanding the use of current technology to measure relevant grain quality attributes. The Federal Grain Inspection Service often relies on the United States Department of Agriculture's Agricultural Research Service, academia and industry for their research activities.
 - Does not have national producer payment security or a producer car program equivalent to the Canadian Grain Commission.
 - Delegates state agencies to inspect and weigh grain at some export locations.
 - Delegates a mix of state and private agencies to inspect and weigh grain at interior locations.
 - Conducts official inspection and weighing of grain.
- Australia
 - The Australian Quarantine and Inspection Service (AQIS) is a part of the Australian Government Department of Agriculture Fisheries and Forestry.
 - It provides inspection and certification of import and export products.
 - Its role is not limited to grain. It is comparable to the Canadian Food Inspection Agency.

How User Fees are Amended

- Canada
 - The Canadian Grain Commission must have government approval before amending its user fees.
 - There are many steps involved in this process.
 - Fees are only amended if a clear need to amend them has been demonstrated through a review and consultation process.
- United States
 - The Federal Grain Inspection Service establishes procedures for setting or amending user fees.
 - Agencies and states set their own user fees schedules.
 - Agencies and states must show that any new or amended fees are reasonable.
 - The Federal Grain Inspection Service approves applications for new or amended user fees.
- Australia

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- The Australian Quarantine and Inspection Service follows a process similar to that in Canada for amending user fees.

User Fee Increases

- Canada
 - The Canadian Grain Commission has not increased its user fees since 1991.
- United States
 - Official agencies and states can increase their user fees as necessary.
 - Since 1993, user fees in the United States have on average increased 26 percent¹⁵.
- Australia
 - The Australian Department of Agriculture, Fisheries and Forestry implemented amended user fees in July 2012 following a review.

Government Appropriation¹⁶

- Canada
 - In 1995, the Canadian Grain Commission received approximately 88 percent of its budget from fee revenue.
 - Cost recovery is approximately 50 percent today.
 - The Canadian Grain Commission will continue to receive annual appropriation of \$5.45 million for public benefit activities. As a result, approximately 9 percent of our costs would be funded by annual appropriation for public benefit activities. Approximately 91 percent of our costs would be recovered through user fees.
- United States
 - As of 2011, the Federal Grain Inspection Service receives approximately 37 percent of its budget in annual federal appropriation.
- Australia
 - Services are provided to industry under full cost recovery arrangements.

Service Standards

- Canada
 - The Canadian Grain Commission has specific service standards for each service including timelines.
- United States
 - The Federal Grain Inspection Service develops and reviews its service standards using customer service surveys from GIPSA.
 - Customers can expect courtesy and respect, fairness, clarity, accessibility, timeliness, and responsiveness.
- Australia

¹⁵ Source: Summary of Official Agency Fees, Grain Inspection, Packers and Stockyards Administration, 2010.

¹⁶ The cost share breakdown that is shown for each country is for the last time that the cost share was reviewed or changed in each respective country.

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- The Australian Quarantine and Inspection Service has broad service standards for all of its programs and functions including timelines.

A detailed analysis of cost recovery and service standards in the United States

In the United States, the official grain inspection and weighing system is a partnership made up of federal, state and private partners. This is different from Canada, where the Canadian Grain Commission, a federal authority, provides official inspection and weighing services.

The Grain Inspection, Packers and Stockyard Administration (GIPSA):

- Authorizes state and private partners to provide official inspection and weighing services to the domestic and export grain trade on its behalf.
- Delegates state agencies to inspect and weigh grain at some export locations.
- Delegates a mix of state and private agencies to inspect and weigh grain at interior locations.

The Grain Inspection, Packers and Stockyards Administration's Federal Grain Inspection Service (FGIS):

- Establishes quality standards for grains, oilseeds, pulses and legumes.
- Provides impartial inspection and weighing services.
- Monitors marketing practices to enforce compliance with:
 - *United States Grain Standards Act.*
 - *Agricultural Marketing Act.*
- Licenses the network of federal, state and private laboratories that provide impartial, user fee-funded official inspection and weighing services.

Each organization licensed by the Federal Grain Inspection Service sets its own fee schedule. The Federal Grain Inspection Service reviews and approves these fee schedules.

How fees are set

The Federal Grain Inspection Service sets the procedures that official agencies and states follow when they prepare and submit proposed user fees for their services. The Compliance Division of the Federal Grain Inspection Service reviews fee proposals for approval.

Fees for official services must not be discriminatory or unreasonable. In order to be non-discriminatory:

- Official agencies must charge each customer the same fee for a particular service.
- Each customer must have an opportunity to qualify for any discounts offered by an official agency.

Under the *United States Grain Standards Act*, fees are considered reasonable if:

- Fees cover the estimated total cost to the official agency of providing:
 - Official inspection.
 - Official commercial inspection.
 - Official and non-official weighing.
 - Inspection equipment testing services.
 - Related supervision and monitoring activities.
- Fees are assessed based on the average cost of providing the same or similar services at all locations served by the official agency.
- Fees are reasonably consistent with fees for similar services charged by adjacent official agencies.
- The official agency submits enough information to show how it came up with the fees.

Each request for a fee increase or a new fee for a new service must include enough justification for evaluation and approval. Justification must include documentation that shows fixed and variable expenses and other appropriate information.

Official agencies must notify their customers of proposed fee increases. They include a copy of this notification with each request for a fee increase.

Official agencies can decrease fees at any time. They do not need approval from the Federal Grain Inspection Service before they decrease their fees. However, they must:

- Immediately notify the Federal Grain Inspection Service of all reductions.
- Submit a revised fee schedule for approval.

Official services

Under the *United States Grain Standards Act*, these services are mandatory:

- Official inspection of most grain exported from the United States.
- Official weighing of most grain exported from the United States.
- Official weighing of inter-company barge grain received at export port locations.
- Testing of all corn meant for export for aflatoxin prior to shipment, unless the contract stipulates testing is not required.

Mandatory inspection requirements do not apply to:

- Grain that is not sold or described by grade.
- Grain sold in domestic commerce.

Table 7 – Services in the United States Grain Industry

Service	Description
Inspection	<ul style="list-style-type: none"> • 2 basic types <ul style="list-style-type: none"> ○ Inspection for grade ○ Factor for analysis without grade • Inspection for grade involves <ul style="list-style-type: none"> ○ Analyzing sample ○ Certifying, grade, quality factors • Fee varies by state and service provider • Fee based on factors including: hourly rate, tonnage rate, or lot inspection • Includes reinspection service, appeal inspection services, Board Appeal inspection services
Sampling	<ul style="list-style-type: none"> • Required for inspection • Taken by official personnel • Taken according to defined procedures
Weighing	<ul style="list-style-type: none"> • All exported grain must be officially Class X weighed • Domestic shipments may be Class X or Class Y • Class X weighing <ul style="list-style-type: none"> ○ Supervised by licensed official personnel ○ Result: Official “White” certificate • Class Y weighing <ul style="list-style-type: none"> ○ Performed by elevator personnel ○ Result: “Yellow” certificate • Official weighing <ul style="list-style-type: none"> ○ Done by official personnel ○ Determines and certifies quantity of lot of grain ○ Monitors movement of grain through elevator onto carrier
Certificates	<ul style="list-style-type: none"> • Are a result of official inspection or weighing • Report grain grades • Document <ul style="list-style-type: none"> ○ Official procedures followed ○ Date, location of inspection or weighing ○ Specific service results, factor-by-factor or by service requested
Licensing	<ul style="list-style-type: none"> • Grain warehouses and grain dealers licensed by individual state • Each state has own producer protection mechanism: <ul style="list-style-type: none"> ○ A bond or negotiable form of surety ○ An indemnity or insurance fund ○ A combination of these

Fees for services

Table 8 gives a summary of official agency and state fees for official sampling inspection fees¹⁷. This is a summary of fees charged by the 47 private agencies and 13 state agencies in 2007. Often, this is a blended rate based on a combination of factors including hourly rate, tonnage rate, or lot inspection.

Table 8 – Summary of Federal Grain Inspection Service official sampling inspection fees as of January 1, 2007

			Railcar	Barge per	Barge total	Hourly
	Truck ¹	Railcar unit ⁴	Total Rate ^{1, 4}	1000 bushels ⁴	Rate ^{2, 4}	Rate ⁴
Average	\$11.66	\$17.56	\$19.46	\$3.56	\$206.11	\$16.01
Minimum	\$5.00	\$9.95	\$9.95	\$2.60	\$130.00	\$8.00
Maximum	\$30.30	\$35.00	\$35.00	\$6.00	\$310.00	\$47.00
Weighted Average³	\$11.80	\$16.02	\$18.08	\$3.26	\$201.89	

(1) Truck and Rail Total Rate based on 1/4 hour sampling time

(2) Barge Diverter Type Mechanical Sampler based on a 50,000 bushel barge + 4 hours sampling

(3) Weighted average based on Fiscal Year 2006 volume

(4) Based on the diverter type mechanical sampler

For each state, annual licensing fees range from \$0 to more than \$3,375 US dollars per facility. Fees depend on the state¹⁸.

One notable difference from the Canadian Grain Commission's licensing fees is that some states add a charge for on-site audits (sometimes called annual inspection fee or examination fee) which ranges from \$83 to \$1,555 US dollars.

A complete summary of annual licence fees for each state is available upon request from the Canadian Grain Commission.

¹⁷ Source: Summary of Official Agency Fees, Grain Inspection, Packers and Stockyards Administration.

¹⁸ Source: Each Department/Agency licensing website.

Service standards

The Federal Grain Inspection Service develops and reviews its service standards using customer service surveys from the Grain Inspection, Packers and Stockyards Administration.

According to the Grain Inspection, Packers and Stockyards Administration's service standards¹⁹, its customers can expect:

- **Courtesy and respect.** Customers can expect professional treatment, objectivity and confidentiality. They will be assisted by polite, responsive and knowledgeable staff.
- **Fairness.** Customers will receive objective service despite their role in the industry (producer, handler or end user) and their race, color, national origin, sex, religion, age, disability, political beliefs, and marital or familial status.
- **Clarity.** Grain Inspection, Packers and Stockyards Administration employees will clearly explain to customers what they do, how programs work and who to contact for further assistance.
- **Accessibility.** Grain Inspection, Packers and Stockyards Administration is available to serve and talk to individuals and organizations about their programs.
- **Timeliness.** Grain Inspection, Packers and Stockyards Administration will provide an official grain inspection and weighing certificate within one full business day after completing an inspection. In its regulatory role, Grain Inspection, Packers and Stockyards Administration will respond to concerns and work to ensure fairness and equity in the marketplace.
- **Responsiveness.** Grain Inspection, Packers and Stockyards Administration will continue to see customer views, listen to customer needs and take action based on these.

¹⁹ Source: Grain Inspection, Packers and Stockyards Administration website – Customer Service Standards.

A detailed analysis of cost recovery and service standards in Australia

In Australia, grain inspection, certification and licensing services are provided by the Australian Quarantine and Inspection Service, which is a part of the Australian Government Department of Agriculture Fisheries and Forestry. It provides inspection and certification of import and export products. Its role is not limited to grain and the organization is comparable to the Canadian Food Inspection Agency. This quality assurance for agricultural products maintains Australia's access to overseas export markets.

Australian Department of Agriculture Fisheries and Forestry user fees review

The Australian Government Department of Agriculture Fisheries and Forestry recently completed a review of its user fees and implemented updated fees effective July 1, 2012. This review involved changing the fees for audit and inspection services offered under its Plant Export Operations. These fees were amended in order to recover 100 percent of the costs of delivering these services. At the time of the review, the program was only recovering 60 percent of its costs from industry fees. The Australian federal government provided the other 40 percent of costs as a fee subsidy.

The updated fees resulting from this review are outlined in Table 9. The fees are shown in Australian dollars²⁰. The fee structure applies to all export commodities covered by the Plant Export Operations including barley, canola, chickpeas, field peas, beans, lentils, oats, soybeans and wheat.

Table 9 – Australian Quarantine and Inspection Service Grain and Seed Exports Program fees

Charge description	Unit of charge	Fee
Inspection (includes pre-inspection activities, inspection activities, post inspection activities, and other)		
Fee for service	1/4 hour	\$36.00
Tonnage charge (in addition to inspection fee for service)	Per tonne	\$0.11
Overtime		
Time and a half - continuous	1/4 hour	\$15.00
Time and a half - non-continuous	Minimum	\$180.00

²⁰ Source: Department of Agriculture, Fisheries and Forestry, DAFF BIOSECURITY, Charging Guidelines, Plant Export Operations, July 1, 2012.

Charge description	Unit of charge	Fee
Double time - continuous	1/4 hour	\$20.00
Double time - non-continuous	Minimum	\$240.00
Double time and a half - continuous	1/4 hour	\$25.00
Two and a half time-non-continuous	Minimum	\$300.00
Annual charge for Registered Establishments – Grain		
Annual charge for Grain Reg Est (Bulk)	Per annum	\$4,300.00
Annual charge for Grain Reg Est (Other)	Per annum	\$2,500.00

Service standards

The Plant Export Operations of the Australian Quarantine and Inspection Service has broad service standards²¹ for all of its programs and functions. Its customers can expect the service standards listed in table 10.

Table 10 – Service standards for Australia’s Plant Export Operations

Activity	Service standard
Customer phones office	<ul style="list-style-type: none"> • Answer or return call during office hours. • Give customer the name of the person or department that answers call. • If the customer’s question cannot be answered directly, find the right person to assist customer within 2 business days or sooner.
Customer writes or emails	<ul style="list-style-type: none"> • Respond within 10 business days. • If full response is not possible, advise customer when to expect a complete response.
Customer submits electronic documentation for clearing imported or exported goods	<ul style="list-style-type: none"> • Process within 1 business day.
Customer requires inspection of goods	<ul style="list-style-type: none"> • Provide an officer to inspect goods within 3 business days of request for an appointment.
Customer requires to register its establishment as a registered establishment	<ul style="list-style-type: none"> • Provide a physical inspection within 3 business days of request for an appointment. The inspection may take up to five business days to complete. • After the inspection is complete, process documentation within 20 business days.
Customer requires to register as	<ul style="list-style-type: none"> • Confirm receipt of application within 2 business

²¹ Source – Australian Quality and Inspection Service Charter

Activity	Service standard
an Authorized Officer	<p>days of delivery.</p> <ul style="list-style-type: none"> • Assess application within 15 business days of receipt. • After all training, assessment and documentation is complete, provide Instrument of Appointment within 10 business days.

Conclusion of Comparison to user fees and service standards

Our proposed user fees and service standards are consistent with those established in the grain sectors in the United States and Australia. Our proposed fees for official inspection and licensing appear to be comparable or somewhat higher than those charged in the United States. This is likely due to the different amount of federal appropriation that each respective organization receives. Approximately 9 percent of our revenue is from annual federal appropriation whereas in 2011 the Federal Grain Inspection Service received approximately 37 percent of its budget in annual federal appropriation. Our proposed service standards are in line with those established by the Federal Grain Inspection Service.

Australia increased their user fees in July 2012 to levels that appear to be comparable or somewhat higher than the fees we are proposing for inspection, overtime and licensing. The Australian Quarantine and Inspection Service no longer receives federal government appropriation for its services. Our proposed service standards are also commensurate to those in Australia.

In conclusion, our proposed user fees and service standards are consistent with those established in the grain sectors in the United States and Australia. However, these comparisons are limited because each country has different fee structures due to factors such as different resource and service levels, service delivery models, user profiles, regulatory objectives, and sources of revenue.

Annex 4: Example illustrating how the Canadian Grain Commission determined costs for a forecast average year

Table 11 - Pro-forma 2013-14 budget for costing purposes

	Outward Inspection	Outward Weighing	Licensing	Producer Cars	Other Inspection Services	Documentation	Totals
	Dollars \$						
Direct Costs							
Salaries, Overtime and benefits	12,593,954	408,985	566,974	131,864	2,340,192	322,445	
Travel	536,180	14,110	12,713	5,085	131,693	23,517	
Rent	1,258,766	33,125	44,988	32,029	309,171	55,209	
Information technology	979,895	480,823	165,986	6,916	175,916	31,414	
Other non salary operating costs	842,741	14,283	5,747	0	133,305	23,804	
Licensing/producer cars	0	0	220,165	21,515	0	0	
Sub-total Direct Costs	16,211,535	951,326	1,016,573	197,410	3,090,277	456,388	21,923,509
Program Support and Divisional Support Costs							
Program support	3,118,390	1,476,596	0	0	765,920	136,771	
Divisional support	1,246,921	32,814	0	0	306,261	54,690	
Sub-total Program / Div Support Costs	4,365,310	1,509,409	0	0	1,072,181	191,461	7,138,362
Grain Research Laboratory Costs							
GRL program support	4,011,381	0	0	0	165,826	0	
GRL grain standards costs	175,938	0	0	0	0	0	
GRL general research allocation	5,229,206	0	0	0	0	0	
IT- GRL support							
Sub-total GRL Costs	9,416,525	0	0	0	165,826	0	9,582,352
Capital expenditures/Amortization							
Direct capital costs	1,002,301	312,120	0	0	246,179	0	
GRL direct inspection capital costs	872,846	0	0	0	0	0	
Grain standards capital costs	38,283	0	0	0	0	0	
GRL general research allocation	1,273,711	0	0	0	0	0	
IT capital costs allocated	218,325	5,745	9,576	3,830	53,624	9,576	
Sub-total Capital Costs	3,405,466	317,865	9,576	3,830	299,803	9,576	4,046,116
Internal Services							
Governance and management	3,105,114	219,080	66,751	26,700	373,805	66,751	
Resources management	8,275,332	583,862	532,895	71,158	996,215	177,895	
IT general support	809,742	56,915	17,403	6,961	97,455	17,403	
Asset management	487,033	34,362	10,470	4,188	58,631	10,470	
Sub-total Internal Services Costs	12,677,221	894,219	627,519	109,008	1,526,106	272,519	16,106,591
Full Cost	46,076,057	3,672,820	1,653,667	310,248	6,154,193	929,944	58,796,930