

Canadian Grain Commission

2016–17

Departmental Results Report

The Honourable Lawrence MacAulay,
Privy Councillor, Member of Parliament,
Minister of Agriculture and Agri-Food

2016-17 Departmental Results Report

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Minister's message

I am pleased to submit the Canadian Grain Commission's (CGC) Departmental Results Report for fiscal year 2016-17 to Parliament and Canadians.

This report details how the CGC used its resources from April 1, 2016 to March 31, 2017, to regulate grain handling and establish and maintain grain standards to ensure a dependable commodity for domestic and export markets. The CGC is Canada's scientific research organization on grain quality and conducts scientific research to understand all aspects of grain quality and grain safety. Canada's global reputation as a supplier of grain that is consistent in quality and safety is thanks, in large part, to the work of the CGC.

As Canada's Minister of Agriculture and Agri-Food, I will continue to work with the CGC and all stakeholders to ensure Canada's grain sector remains strong, competitive and sustainable through a focus on exports, value-added processing, research and innovation, and grain transportation. Canada has the best farmers and food processors in the world, and a dedicated public service. I am proud to serve this dynamic sector.

I would like to take this opportunity to thank all CGC employees for their hard work and dedication and I look forward to working together to keep Canada's agricultural sector innovative and prosperous, and to deliver real results for Canadians.



**The Honourable Lawrence MacAulay,
Privy Councillor, Member of Parliament,
Minister of Agriculture and Agri-Food**

Chief Commissioner's message

Since 1912, the Canadian Grain Commission (CGC) has served as the federal government agency that administers the provisions of the Canada Grain Act.

Our programs and services result in shipments of grain that consistently meet contract specifications for quality, safety and quantity. With much growth and rapid change in the Canadian grain sector, the CGC continued to adapt programs to provide relevant and essential services to our many stakeholders. We are committed to working with all stakeholders to ensure Canada's Grain Quality Assurance System continues to build on its reputation as the best in the world and to provide optimum value for Canadian grain producers and all stakeholders in the grain sector.

I am pleased to report that, once again, the CGC received an unqualified audit opinion on its annual financial statements. A copy of the [audited financial statements](#)ⁱ is available on the CGC's website.

As Chief Commissioner, I am proud of the CGC's ongoing exemplary work to effectively meet the needs of producers, the grain industry and all Canadians. I invite you to read this report to learn more about the CGC's accomplishments and how the organization carried out its mandate during the 2016-17 reporting period.



Patti Miller
Chief Commissioner
Canadian Grain Commission

Results at a glance

What funds were used?

- Total actual spending for 2016–17 was \$58,881,819.
- Spending was funded by annual voted and statutory appropriation of \$5,300,156 and user fees revenue of \$53,581,663.

Who was involved?

- Total actual full-time equivalents for 2016-17 was 426.

Key results achieved in 2016-17:

- CGC launched a consultation on proposed revisions to user fees and began a discussion about potential investment for the use of surplus funds. Revised user fees were planned to take effect on April 1, 2018, after the current schedule of user fees expire on March 31, 2018. A decision was made to reduce two user fees in advance to control the further accumulation of surplus funds effective August 1, 2017.
- Met with domestic and international customers of Canadian grain from Latin America, Asia, the European Union, the Middle East, North Africa and Canada during the 2016 New Crop Missions and other initiatives to raise awareness of the CGC's quality assurance system. New Crop Missions are a joint initiative between the Canadian International Grains Institute (CIGI), Cereals Canada and the CGC. Missions allow for the exchange of information with current and potential buyers of Canadian grain, provide an opportunity to establish and maintain relationships, and maintain customer confidence in the dependability of Canadian grain.
- CGC continued its efforts to modernize programs and services and update its legislative framework to ensure the long-term success of Canada's grain quality assurance system and to add optimal value for Canadian grain producers and the grain sector. Updating the Canada Grain Act and ensuring the Canada Grain Regulations meet the needs of the grain sector continues to be a priority. All program key performance indicator targets and all service standard targets for prescribed user fees were met.

For more information on the department's plans, priorities and results achieved, see the "Results: what we achieved" section of this report.

Raison d'être, mandate and role: who we are and what we do

Raison d'être

The Canadian Grain Commission is a federal government agency that administers the provisions of the Canada Grain Act. The CGC's **mandate** as set out in the Canada Grain Act is to, "in the interests of the grain producers, establish and maintain standards of quality for Canadian grain and regulate grain handling in Canada, to ensure a dependable commodity for domestic and export markets." The CGC's **vision** is: "To be a world class, science-based quality assurance provider". The Minister of Agriculture and Agri-Food is responsible for the CGC.

Mandate and role

In accordance with the Canada Grain Act, the CGC establishes and maintains standards of quality for Canadian grain and regulates grain handling in Canada, to ensure a dependable commodity for domestic and export markets. Grain refers to any seed designated by regulation as a grain for the purposes of the Canada Grain Act. This includes barley, beans, buckwheat, canola, chick peas, corn, fababeans, flaxseed, lentils, mixed grain, mustard seed, oats, peas, rapeseed, rye, safflower seed, soybeans, sunflower seed, triticale and wheat.

The CGC's August 2016 mandate letter from the Minister of Agriculture and Agri-Food asked the CGC to deliver on three priorities. The first priority was to update the Canada Grain Act and ensure the Canada Grain Regulations meet the needs of the grain sector. The CGC continued to work with Agriculture and Agri-Food Canada (AAFC) and central agencies on this priority. The CGC also responded by implementing plans to modernize Canada's wheat classes.

A second priority was to help mitigate risk and/or resolve technical trade and market access issues within key individual markets. The CGC addressed this by adjusting several grading tolerances for 2017-18 and by continuing to raise awareness of the CGC's grain quality assurance through New Crop Missions and other initiatives.

The CGC addressed the final priority to support the Governor in Council appointment process by developing position profiles and providing other relevant information to help inform the appointment process through the appointment of the new Chief Commissioner, Assistant Chief Commissioner, and Commissioner. The Chief Commissioner was appointed to a six-year term, the Assistant Chief Commissioner to a five-year term, and the Commissioner to a four-year term. All appointments were effective February 13, 2017.

Through its activities, the CGC ensures that Canadian grain producers are fairly compensated for grain deliveries to licensed grain companies and that Canada's grain is valued by domestic and international customers for its safety, consistency and quality. The CGC is the official certifier of Canadian grain export shipments. The CGC is also mandated to undertake, sponsor and promote research related to grain and grain products.

For more general information about the Canadian Grain Commission, see the "Supplementary information" section of this report.

Additional information on the [CGC's mandate and responsibilities](#)ⁱⁱ is available on the CGC website.

Operating context and key risks

Operating context

External Environment

- The Canadian grain sector has experienced a period of significant transformation in recent years. This includes the ending of the Canadian Wheat Board's single desk for wheat and barley marketing, new entrants to the grain sector, and significant investments related to grain handling facilities and processing facilities.
- The Canadian grain industry faces uncertainty regarding access to international markets due to heightened market sensitivity related to grain-safety issues. There is increasing emphasis on selling to specification, ongoing transition toward analytical assessment of grain grading factors, as well as niche-marketing and increased value-added processing. Addition, there are concerns in some international grain markets that the intrinsic quality of Canadian grain has declined.
- There is a trend toward increased Canadian grain production and increased Canadian grain exports. Canadian grain production over the past ten crop years averaged 73.01 million metric tonnes, whereas production was 78.88 million metric tonnes in crop year 2015-16 and forecast to be 82.89 million metric tonnes in crop year 2016-17. Canadian grain exports from CGC licensed grain elevators averaged 34.75 million metric tonnes over the past ten fiscal years, whereas exports were 39.96 million metric tonnes in fiscal year 2016-17 and 41.60 million metric tonnes in fiscal year 2015-16.

Internal Influences

- Many risks associated with CGC programs and activities are inherent and constant. Inherent risks are associated with assuring accurate quality and quantity assessment and accurate certification of Canadian grain. These are addressed by continuous monitoring and adjustments in order to bring residual risk to acceptable levels.
- On August 1, 2013, amendments to the Canada Grain Act and restructured user fees came into force. Prior to updating fees in 2013, the CGC was significantly constrained in making adequate capital and infrastructure investments due to a reliance on ad hoc funding. This has placed stress on aging equipment and increased the risk of compromising program delivery. For example, the CGC's Grain Research Laboratory (GRL) infrastructure at 303 Main St. in Winnipeg, Manitoba is unable to meet current and increasing demand due to aging equipment and limited analytical capacity. The Microbiology Unit moved to another location in Winnipeg that meets specific infrastructure needs.

- As of March 31, 2017, approximately 25.8 percent of the CGC workforce is eligible to retire in five years or less. This has potential to significantly affect the continuity of corporate knowledge, capacity and stakeholder relationships.

Key risks

Key risks

Risks	Mitigating strategy and effectiveness	Link to the department's Programs	Link to mandate letter commitments or to government-wide and departmental priorities
<p>Remaining relevant to stakeholders</p> <ul style="list-style-type: none"> • The CGC operates in an environment where the needs of Canadian producers and the grain industry continue to evolve rapidly. • External stakeholders continue to indicate that the most recent Canada Grain Act amendments addressed only some of the elements required for a comprehensive update of the Act. 	<p>This risk was identified in the 2016-17 Report on Plans and Priorities and 2017-18 Departmental Plan. The following risk responses were used to reduce the risk exposure:</p> <ul style="list-style-type: none"> • The CGC continued to work with AAFC and central agencies to update the Canada Grain Act and ensure the Canada Grain Regulations meet the needs of the grain sector. This is identified as a priority in the CGC's Mandate Letter from the Minister of Agriculture and Agri-Food (AAF). • In January 2016, the CGC began implementing a plan to modernize Canada's wheat classesⁱⁱⁱ. Effective August 1, 2018, 25 varieties of Canada Western Red Spring (CWRS) and 4 varieties of Canada Prairie Spring Red (CPSR) wheat will move to the Canada Northern Hard Red (CNHR) class. Effective August 1, 2019, one variety of Canada Prairie Spring Red (CPSR) wheat will move to the Canada Northern Hard Red (CNHR) class. • In response to stakeholder requests for more flexibility in Canada's eastern wheat classes, the CGC launched consultations with stakeholders on a proposal to introduce a new eastern wheat class^{iv} in March 2017. Based on stakeholder feedback, the CGC is 	<ul style="list-style-type: none"> • Quality Assurance Program • Quantity Assurance Program • Grain Quality Research Program • Producer Protection Program 	<p>Linked to priorities identified in the Canadian Grain Commission mandate letter from the Minister of Agriculture and Agri-Food^v. These are:</p> <ul style="list-style-type: none"> • Update the Canada Grain Act and ensure the Canada Grain Regulations meet the needs of the grain sector, and • Help mitigate risk and/or resolve technical trade and market access issues within key individual markets.

	<p>not moving forward with the development of a Canada Eastern Special Purpose wheat class as proposed. The CGC will continue to work in collaboration with eastern stakeholders to review and evaluate the existing wheat class structure.</p> <ul style="list-style-type: none"> • A decision to adjust several grading tolerances for 2017-18 was made. For example, <ul style="list-style-type: none"> ○ A tolerance of 0.05 percent for ergot will be added for all grades of fababeans and chickpeas. Ergot is a cereal fungal disease that is harmful to people and animals. While ergot does not occur in these crops, cross-contamination can occur during handling. This will help guarantee the safety of Canadian grain. ○ The tolerance for grasshopper and army worm damage in No. 3 Canada Western Red Spring, No. 3 Canada Western Hard White Spring and No. 3 Canada Northern Hard Red wheat will be reduced from 8 to 6 percent after research showed that 8 percent grasshopper and army worm damage can impact end-use functionality of wheat. • A pilot project was initiated in Prince Rupert to evaluate effectiveness of provision of onsite analytical services in order to enhance timeliness of service. • The CGC continued to promote awareness of CGC activities and services with the intention of increasing stakeholder understanding of the organization's role in the grain sector. <p>Trends were monitored closely and mitigation strategies revised as required to reduce residual risk to tolerable levels.</p>		
<p>Pressures related to the funding model</p> <ul style="list-style-type: none"> • CGC user fees 	<p>This is an ongoing risk that was identified in the 2016-17 Report on Plans and Priorities. As part of the CGC five year user fees review cycle,</p>	<ul style="list-style-type: none"> • Quality Assurance Program • Quantity 	<p>Linked to CGC's mandate.</p>

<p>and service standards require updating as part of the organization's five year user fee review cycle.</p> <ul style="list-style-type: none"> As of March 31, 2017 the CGC had an accumulated surplus of \$121.80 million. 	<p>the following risk responses were used to mitigate this risk:</p> <ul style="list-style-type: none"> During 2015-16, the CGC commenced a review of its fee structure to ensure that user fees accurately reflect the costs of providing services and reflect updated grain volume projections. The CGC updated its model for forecasting grain volumes for the upcoming 2018-2023 user fees cycle. The updated forecasting model is expected to limit the accumulation of surplus and better align user fees with the cost of providing services. User fees consultations, as required by the User Fees Act, commenced in March, 2017. Subsequently, a decision was made to reduce outward official inspection and weighing oversight fees and to eliminate recoverable overtime before the end of the current five-year fee review cycle. Proposed changes were published in the Canada Gazette, Part I on April 22, 2017. These fees were reduced effective August 1, 2017. Additional fee updates are planned to be in effect by April 1, 2018. On March 1, 2017, the CGC released a discussion document, Potential Use of Accumulated Surplus. This discussion ran concurrently with the CGC's consultation on the user fees. As of March 31, 2017 the CGC had an accumulated surplus of \$121.80 million. Stakeholder feedback will be considered as the CGC continues to work closely with Treasury Board Secretariat, Justice Canada, the Department of Finance, and Agriculture and Agri-Food Canada in considering all aspects of using the surplus. <p>Trends will continue to be monitored closely and mitigation strategies revised as required to ensure residual risk remains at acceptable levels.</p>	<ul style="list-style-type: none"> Assurance Program Grain Quality Research Program Producer Protection Program 	
Capacity to deliver programs and	<p>This risk was identified in the 2016-17 Report on Plans and Priorities as well</p>	<ul style="list-style-type: none"> 	

<p>adapt to change</p> <ul style="list-style-type: none"> • Infrastructure renewal remains a critical priority and is necessary to ensure the ongoing viability of the CGC and facilitate provision of programs and services as efficiently and effectively as possible. • If internal transition and succession planning is not appropriately managed, the CGC may be faced with skill gaps, reduction in institutional memory, and loss of existing relationships within the industry. 	<p>as the 2017-18 Departmental Plan. The following risk responses were used to successfully mitigate this risk:</p> <ul style="list-style-type: none"> • Terminal elevator office upgrades and leasehold improvements continued. For example, CGC space within several terminal elevators was renovated; the trace elements lab in Winnipeg was updated and includes improved health and safety features. These initiatives are necessary to ensure the organization has the appropriate infrastructure to deliver all programs and services. • Significant progress was made on the space renewal project at the Winnipeg office. A secure access project was completed and a modern access control system is now in place to enhance departmental security. Options for renewal of the Grain Research Laboratory are being investigated and discussions continue internally, with Central Agencies, and with Public Services and Procurement Canada. • Capacity trends were monitored to ensure sufficient human resource capacity to carry out day-to-day operational work while at the same time adapting to changes in the internal and external environments. Projects and activities were monitored, adjusted, re-prioritized and re-scheduled as required. • The CGC continued efforts to ensure continuity of corporate knowledge, capacity and stakeholder relations. A “key position and vulnerabilities” template was developed as a step in succession planning and talent management. Succession planning and knowledge transfer needs were identified during organizational people planning exercises. Reorganization and restructuring of the CGC divisions is anticipated to better support succession in the long term. For example, succession planning and knowledge transfer activities 		
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	<p>included hiring a new Chief Grain Inspector and continual and significant efforts to hire, train, and mentor new grain inspectors.</p> <p>Trends will be monitored closely and mitigation strategies revised as required.</p>		
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Risk management is an essential part of strategic planning and decision making at the CGC. The Canadian grain industry, the CGC, and Canada's Grain Quality Assurance System (GQAS) operate in a climate of constant change (e.g. grain volume and crop quality fluctuations, increased market demand for grain safety assurances). As such, the CGC is continually adapting programs and services to assure consistent and reliable grain quality and grain safety that meets the needs of international and domestic markets and to ensure Canadian grain producers are properly compensated for grain deliveries to licensed grain companies. Feedback from producers and grain handlers, domestic and international grain buyers and processors, and other domestic and foreign government entities has proven to be a reliable early indicator of risk arising from developments in our external environment.

The CGC has established a process to identify, monitor, mitigate and manage corporate level risks through strategic planning. This includes preparation of an extensive environmental scan, broad and inclusive identification of emerging threats and opportunities for improvement, an internal and external workforce analysis, and the development of a corporate risk profile summary to identify areas of greatest risk exposure to the CGC in delivering its strategic outcome and programs. Corporate level risks and mitigation strategies are reviewed during the strategic planning process and key risks for the upcoming fiscal year are identified based on current internal and external factors. The CGC has an Integrated Risk Management Working Group (IRMWG) that includes representatives from all CGC programs and divisions. The group meets regularly to identify and assess CGC risks and risk response strategies. Information and recommendations from the IRMWG are forwarded to CGC senior management for review and action as necessary (e.g. implementation of additional mitigation strategies and/or contingency plans). No additional risks were forwarded to CGC senior management than those identified in the Key Risks Table.

Results: what we achieved

Programs

Quality Assurance Program

Description

The CGC's quality assurance program is delivered pursuant to the Canada Grain Act and the Canada Grain Regulations. This program assures consistent and reliable grain quality that meets the needs of international and domestic markets. Grain quality refers to end use processing quality, grain safety and cleanliness, and, in some cases, the composition of varieties in shipments of grain. Provision of grain inspection, grain safety, grain sanitation, grading and analytical services, as well as strong scientific and technical support programs and services are integral components to the overall delivery of an effective quality assurance program. The program includes a complaints resolution process for resolving customer complaints and disputes with respect to grain quality assurance. An effective grain quality assurance program is a key factor in permitting Canadian exporters to market successfully in competitive international grain markets and is essential for producers to realize maximum value from their grain. The quality assurance program is funded by revolving fund revenue.

Results

The Quality Assurance Program directly supports the delivery of the CGC's mandate and is necessary for the CGC to achieve its strategic outcome of assuring Canada's grain is safe, reliable and marketable. The CGC continued to provide all inspection services in accordance with its ISO 9001:2008 quality management system (QMS) to ensure consistent and reliable quality assurance of Canadian grain shipments. This includes regular review of processes allowing the CGC to adjust and improve service procedures. A decision was made to transition the QMS from ISO 9001:2008 to ISO 9001:2015 standards in 2017-18.

The CGC certified the quality of 1,649 cargoes representing 37.550 million metric tonnes of Canadian export grain and investigated quality complaints from buyers regarding two of those cargoes. The CGC's Chief Grain Inspector conducted a thorough investigation of the loading process, including analysis of cargo samples and vessel loading documentation. The investigation concluded that the CGC certificates for both shipments were correct.

The CGC continued to investigate opportunities to enhance program and service delivery models to ensure consistent, cost efficient, and effective grain quality and grain safety assurance and facilitate international trade. For example, the CGC initiated a review of current processes for issuance of various CGC export products and services with the goal

of developing an on-line system. It is anticipated that automating these processes would improve efficiencies and allow stakeholders to request and access information in a more streamlined and timely fashion.

With the addition of a third terminal elevator in the port of Hamilton in 2017-18, the CGC commenced plans to relocate the Chatham Service Centre to Hamilton when that lease expires at the end of 2017. The primary factors for the move are to meet client needs and deliver cost-effective service.

The CGC initiated a pilot project at the Prince Rupert service centre to provide and evaluate real-time analytical services.

Industry Services organizational structure adjustments commenced in 2016-17 with plans to be fully implemented by April 2018.

During 2016-17, the CGC continued to liaise with other federal government departments (e.g. Canada Food Inspection Agency, AAFC, Health Canada, and Global Affairs Canada), Canadian grain handlers and processors, producers, and international agencies concerning grain quality and safety matters and trade implications. In addition, the CGC continued efforts to clarify its role within the industry and among other government departments. Feedback and input received served as a foundation for developing services and processes to better meet stakeholder expectations in accordance with that role.

Additional information on the activities and services that contribute to the [Quality Assurance Program](#)^{vi} is available on the CGC website.

Results achieved

Expected results	Performance indicators	Target	Date to achieve target	2016–17 Actual results	2015–16 Actual results	2014–15 Actual results
Consistent and reliable grain quality and grain safety assurance to meet the needs of domestic and international markets	Number of justified cargo complaints due to a breakdown in CGC quality and/or safety assurance	Zero	March, 2017	Zero	Zero	Zero
	Number of instances where buyers are dissatisfied with CGC standards, methods or procedures used to ensure a safe and dependable commodity for domestic and export markets	Zero	March, 2017	Zero	Zero	Zero

Budgetary financial resources (dollars)

	2016–17 Main Estimates	2016–17 Planned Spending	2016–17 Total Authorities Available for Use	2016–17 Actual Spending (authorities used)	2016–17 Difference (actual minus planned)
Gross Program expenditures	-	28,835,016	28,841,018	26,679,401	(2,155,615)
Program expenditures offset by revolving fund revenues	-	(28,835,016)	(28,841,018)	(26,679,401)	2,155,615
Program expenditures NET of revolving fund revenues	-	-	-	-	-
Revolving Fund Details					
Program expenditures offset by revolving fund revenues	-	28,835,016	28,841,018	26,679,401	(2,155,615)
Revenues generated by the Program	-	(28,835,016)	(28,841,018)	(70,656,050)	(41,821,034)
Deficit (Surplus) funds required from (contributed to) the revolving fund ¹	-	-	-	(43,976,649)	(43,976,649)

¹ The CGC's revolving fund allows surplus revenues raised by one program to be redirected to cover the costs of other programs. Additional surplus funds are contributed to the revolving fund.

2016-17 actual spending is \$2.156 million less than 2016-17 planned spending. This is primarily due to unforeseen project delays for infrastructure renewal.

Human resources (full-time equivalents)

2016–17 Planned	2016–17 Actual	2016–17 Difference (actual minus planned)
219	219	-

Quantity Assurance Program

Description

The CGC's quantity assurance program is delivered pursuant to the Canada Grain Act and the Canada Grain Regulations. The services delivered under this program facilitate the official weighing of export shipments of grain discharged from terminal elevators and the issuance of accompanying quantity assurance documentation. This program ensures international grain buyers and end users that Canadian export grain shipments are accurately weighed and that the weighed product is delivered to conveyances such as vessels, railcars, or trucks as reported on CGC documentation. The program includes weighing systems certifications at terminal elevators, input into weighing equipment requirements and device inspection frequency at primary elevators to ensure accurate weighing of producer deliveries, and a quantity assurance dispute resolution process. To maintain relevancy and to address evolving industry demands, the quantity assurance program is supported through legislative requirements and technically based responsibilities. The quantity assurance program is funded by revolving fund revenue.

Results

The CGC continued to deliver all weighing services in accordance with its ISO 9001:2008 quality management system to ensure consistent and reliable quantity assurance of Canadian grain shipments and to meet the legislative requirements of the Canada Grain Act. This includes regular review of quantity assurance processes allowing the CGC to adjust service procedures and identify or adjust training as necessary. A decision was made to transition the QMS from ISO 9001:2008 to ISO 9001:2015 standards in 2017-18.

During 2016-17, the CGC investigated two weight-related cargo complaints. Upon thorough review and analysis, the CGC concluded that the original statement of quantity for both shipments was correct. The CGC commenced quantity assurance audits to ensure compliance with required procedures and is investigating the possibility of updating the Automatic Weight Recording and Playback System (AWRAPS) to provide CGC staff remote access to digital information of weigh scale activity at terminal elevators.

During 2016-17, an [internal audit of the CGC's Weighing Services](#)^{vii} was completed. The audit concluded that CGC Weighing Services staff are diligent, and accurately validate and certify official weights of exported grain. The audit identified several opportunities for improvement within the weighing oversight program. A management action plan was developed to address recommendations in the audit report and actions are underway with anticipated completion dates in 2017 and 2018.

The CGC continued to work closely with producers, industry stakeholders, Measurement Canada, AAFC, and other government departments and agencies to establish and maintain grain quantity assurance standards that evolve with industry grain weighing procedures, equipment standards, and quantity assurance needs.

Additional information on the activities and services that contribute to the [Quantity Assurance Program](#)^{viii} is available on the CGC website.

Results achieved

Expected results	Performance indicators	Target	Date to achieve target	2016–17 Actual results	2015–16 Actual results	2014–15 Actual results
Consistent and reliable quantity assurance of Canadian grain shipments	Number of justified cargo complaints due to a breakdown in CGC quantity assurance processes	Zero	March, 2017	Zero	Zero	Zero

Budgetary financial resources (dollars)

	2016–17 Main Estimates	2016–17 Planned Spending	2016–17 Total Authorities Available for Use	2016–17 Actual Spending (authorities used)	2016–17 Difference (actual minus planned)
Gross Program expenditures	-	1,915,901	1,915,901	1,632,427	(283,474)
Program expenditures offset by revolving fund revenues	-	(1,915,901)	(1,915,901)	(1,632,427)	283,474
Program expenditures NET of revolving fund revenues	-	-	-	-	-
Revolving Fund Details					
Program expenditures offset by revolving fund revenues	-	1,915,901	1,915,901	1,632,427	(283,474)
Revenues generated by the Program	-	(1,915,901)	(1,915,901)	(6,148,268)	(4,232,367)
Deficit (Surplus) funds required from (contributed to) the revolving fund ¹	-	-	-	(4,515,841)	(4,515,841)

¹ The CGC's revolving fund allows surplus revenues raised by one program to be redirected to cover the costs of other programs. Additional surplus funds are contributed to the revolving fund.

2016-17 actual spending is \$0.283 million less than 2016-17 planned spending. This is primarily due project delays for infrastructure renewal and decrease in allocation of rent expenditures.

Human resources (full-time equivalents)

2016–17 Planned	2016–17 Actual	2016–17 Difference (actual minus planned)
15	16	1

Grain Quality Research Program

Description

The Canada Grain Act requires the CGC to undertake, sponsor and promote research related to grains. The CGC conducts research in support of Canada's grain quality assurance system to address emerging issues and facilitate the effective marketing of Canadian grain in domestic and international markets. The CGC's GRL researches factors affecting the quality and safety of grain and grain based products as well as procedures and technologies to quantify those factors. Research in the GRL forms the basis of grade specifications. This program benefits not only the agricultural sector, but also Canadians as consumers of grain products. Close collaboration with Canadian and international scientific, academic, analytical, grain industry organizations, as well as other Canadian government departments (e.g., Agriculture and Agri Food Canada, Canadian Food Inspection Agency, Health Canada) ensures that the CGC remains abreast of new research developments and is able to adapt research priorities to emerging challenges. The grain quality research program is funded by a combination of revolving fund revenue and appropriations.

Results

During 2016-17, the GRL successfully conducted research in support of grade specifications and the grading system. Scientific information and research results were shared with the scientific community and stakeholders. For example, results were provided to facilitate [Western Standards Committee recommendations](#)^{ix} and [Eastern Standards Committee recommendations](#)^x. The CGC identified research priorities to build upon and strengthen Canada's GQAS based on feedback received by CGC personnel from international and/or domestic buyers, processors, producers, grain handlers, the Western Standards Committee and Eastern Standards Committee, and the 2015-16 external review of the CGC's Grain Research Laboratory scientific research and technology programs. The review solicited input from external stakeholders on future direction for GRL scientific research and technology programs at the CGC. To remain abreast of new developments, GRL personnel continued to liaise with Canadian and international scientific, academic, analytical, and grain industry organizations.

The GRL's [Crops Section](#)^{xi} scientifically assessed the [quality of the 2016 Canadian grain harvest](#)^{xii}, assessed how grading factors affect end-use qualities, researched new uses for Canadian grains, and assessed new and improved methods for evaluating and measuring end-use quality factors for all grains. In addition, new varieties were assessed for quality as part of the variety registration process. This research continues to be a significant factor in permitting effective marketing of Canadian grains and facilitates end-use

diversification of Canadian grains. In response to the 2015-16 Evaluation of the Harvest Sample Program, a management action plan was developed to improve and enhance this program. This plan is underway will be mostly complete by end of fiscal 2017-18 and certain IT enhancements to follow.

The GRL's [Technologies Section](#)^{xiii} continued efforts to study and develop technologies and methods to assess the quality and safety of Canadian grains. Research efforts are aimed at developing and implementing new and improved methods for evaluating and measuring grain quality and grain safety to increase efficiency, reduce costs and enhance the testing capabilities of the CGC and the Canadian grain industry.

An organizational priority is to invest in CGC infrastructure to optimize the CGC's ability to efficiently and effectively undertake, sponsor and promote research related to grains. This is a multi-year priority with options such as a major refit and upgrade of the CGC's Grain Research Laboratory space and base building systems or relocation to a new location. The CGC continues to work with central agencies and options are being investigated and considered.

Detailed information on 2016-17 scientific research highlights, accomplishments and ongoing research projects can be found in the [Grain Research Laboratory Annual Program Report 2016](#)^{xiv}. Additional information on the [Grain Quality Research Program](#)^{xv} is available on the CGC website.

Results achieved

Expected results	Performance indicators	Target	Date to achieve target	2016–17 Actual results	2015–16 Actual results	2014–15 Actual results
Scientific information is available to support and inform GQAS ¹ decision making	Number of instances where timely and appropriate scientific information is not available to support and inform GQAS decision making	Zero	March, 2017	Zero	Zero	Zero
Domestic and international marketers, buyers, and processors have accurate and appropriate scientific information on the quality and safety of Canadian grain	Number of instances where domestic and international marketers, buyers, and processors do not have access to accurate and appropriate scientific information on the quality and safety of Canadian grain	Zero	March, 2017	Zero	Zero	Zero
Threats to Canada's GQAS from registration of new varieties are minimized	Number of complaints from end-users of Canadian grain on the quality of newly registered varieties	Zero	March, 2017	Zero	Zero	Zero

1 Grain Quality Assurance System

Budgetary financial resources (dollars)

	2016–17 Main Estimates	2016–17 Planned Spending	2016–17 Total Authorities Available for Use	2016–17 Actual Spending (authorities used)	2016–17 Difference (actual minus planned)
Gross Program expenditures	5,136,924	9,785,958	9,771,110	9,281,360	(504,598)
Program expenditures offset by revolving fund revenues	-	(4,649,034)	(4,656,117)	(4,234,706)	414,328
Program expenditures NET of revolving fund revenues	5,136,924	5,136,924	5,114,993	5,046,654	(90,270)
Revolving Fund Details					
Program expenditures offset by revolving fund revenues	-	4,649,034	4,656,117	4,234,706	(414,328)
Revenues generated by the Program	-	(4,649,034)	(4,656,117)	(591,183)	4,057,851
Deficit (Surplus) funds required from (contributed to) the revolving fund ¹	-	-	-	3,643,523	3,643,523

¹ The CGC's revolving fund allows surplus revenues raised by one program to be redirected to cover the costs of another program. In 2016-17, \$3.643 million raised through the Quality Assurance Program was redirected to fund the Grain Quality Research Program.

2016-17 actual spending is \$0.505 million less than 2016-17 planned spending. This is primarily due to unforeseen or unplanned project delays for infrastructure renewal.

Human resources (full-time equivalents)

2016–17 Planned	2016–17 Actual	2016–17 Difference (actual minus planned)
47	48	1

Producer Protection Program

Description

Pursuant to the Canada Grain Act and Canada Grain Regulations, the CGC has implemented a number of programs and safeguards to ensure that grain producers are properly compensated for grain delivered to licensed grain companies. These include the licensing and security program, allocation of available producer cars for producers and producer groups that wish to ship their own grain, and producer liaison measures including education and a system through which disputes on grain grades can be resolved. In addition, the CGC collects and updates grain quality data and grain handling information to facilitate producer sales and marketing decisions. The producer protection program is funded by revolving fund revenue.

Results

During 2016-17, the CGC conducted a client satisfaction survey to measure satisfaction with programs and services provided under this program. Overall, survey results were very positive. Survey results related to key performance indicators are reported in the “Results achieved” table below and in the [Sub-program supporting information](#)^{xvi} “Results achieved” tables.

During 2016-17, communication efforts continued to ensure producers are aware of their rights under the Canada Grain Act and to increase awareness of CGC producer protection activities and services. The CGC responded to all inquiries from producers and responded to all producer complaints related to compensation received for the quality and/or quantity of grain delivered within the licensed grain handling system. In April 2016, the CGC began consultations on [proposals to license producer railway car loading facilities, agents, and feed mills](#).^{xvii} These operations are currently exempted from licensing. A [summary of consultation feedback](#)^{xviii} is available on the CGC website. The CGC is currently reviewing the results of the consultation.

As of March 31, 2017, the CGC issued licences for 346 primary elevators, 44 process elevators, 31 terminal elevators, and 84 grain dealers. The CGC continued to investigate reports of unlicensed companies to determine if they require licensing under the Canada Grain Act. In cases where the CGC determined that a licence was required, the licensing process was initiated. Reports and business records from all licensees were reviewed and 50 licensees were audited by the CGC. CGC staff responded to all 204 reported complaints of disagreements between producer and licensees and continued monitoring activities to mitigate non-payment risks to producers.

The CGC continues to investigate opportunities to develop a more cost-effective producer payment protection model.

During 2015-16 one licensee did not meet producer payment obligations. The claims process for producers who were not paid for their grain deliveries took place during fiscal year 2016-17. Twenty-six eligible producers made claims totalling \$1,055,927. Eligible claims represent the value of regulated grains delivered for which a primary elevator receipt had been issued to producers within the 90 days prior to May 9, 2015. Payments for claims made against the security posted covered only 14.2% of these claims. The matter was referred to the Royal Canadian Mounted Police for investigation.

The CGC received and processed 6,372 producer railway car applications during 2016-17. The CGC responded to all inquiries and concerns with respect to administering the allocation of producer cars. There were zero formal complaints received during 2016-17. The CGC made several changes to the producer car program to ensure the program provides timely and efficient service to producers and producer car administrators. This included updates and improvements to the producer car application process and a redefined and more automated producer car allocation method.

The licensing requirements of the Canada Grain Act ensure that producers who deliver to a licenced primary elevator can access their right to be paid on the basis of grade and dockage that is determined by a CGC inspector, rather than by the grain handler. During 2016-17, grain producers submitted 153 samples to the CGC for quality determination under the “subject to inspector’s grade and dockage” provision. In addition, 1,196 samples were submitted to the CGC by producers for grading (producer submitted samples).

[Sub-program supporting information](#)^{xix}, including budgetary financial resources, human resources, and performance results, is available on the Canadian Grain Commission’s website.

Additional information on the [producer protection programs](#)^{xx} and the benefits to Canadian producers is available on the CGC website.

Results achieved

Expected results	Performance indicators	Target	Date to achieve target	2016–17 Actual results	2015–16 Actual results	2014–15 Actual results
Risk to producers of not receiving fair compensation for their grain is mitigated	Percentage of producers who agree that CGC producer protection activities help to reduce the risk of not being fairly compensated for grain delivered into the licensed grain handling system	75 percent	March, 2017	88 percent	Plans to conduct a survey in 2015-16 were put on hold due to other priorities.	Not applicable as results are based on a triennial survey.
Producers are aware of the CGC producer protection program and services	Percentage of producers who are aware of CGC producer protection activities	75 percent	March, 2017	75 percent	Results are based on a triennial survey. Plans to conduct a survey in 2015-16 were put on hold due to other priorities	Not applicable as results are based on a triennial survey.

Budgetary financial resources (dollars)

	2016–17 Main Estimates	2016–17 Planned Spending	2016–17 Total Authorities Available for Use	2016–17 Actual Spending (authorities used)	2016–17 Difference (actual minus planned)
Gross Program expenditures	-	3,861,205	3,861,205	3,465,264	(395,941)
Program expenditures offset by revolving fund revenues	-	(3,861,205)	(3,861,205)	(3,465,264)	395,941
Program expenditures NET of revolving fund revenues	-	-	-	-	-
Revolving Fund Details					
Program expenditures offset by revolving fund revenues	-	3,861,205	3,861,205	3,465,264	(395,941)
Revenues generated by the Program	-	(3,861,205)	(3,861,205)	(2,048,200)	1,813,005
Deficit (Surplus) funds required from (contributed to) the revolving fund ¹	-	-	-	1,417,064	1,417,064

¹ The CGC's revolving fund allows surplus revenues raised by one program to be redirected to cover the costs of another program. In 2016-17, the Producer Protection Program did not generate sufficient revenues to cover Program costs, ending the year in a deficit position of \$1.417 million. Surplus revenues raised by Quality Assurance Program were redirected to cover the deficit.

2016-17 actual spending was \$0.396 million less than 2016-17 planned spending. This was primarily due to decrease in allocation of rent expenditures.

Human resources (full-time equivalents)

2016–17 Planned	2016–17 Actual	2016–17 Difference (actual minus planned)
31	33	2

Information on the Canadian Grain Commission’s lower-level programs is available on the [departmental website](#)^{xxi} and in the [TBS InfoBase](#).^{xxii}

Internal Services

Description

Internal Services are those groups of related activities and resources that the federal government considers to be services in support of programs and/or required to meet corporate obligations of an organization. Internal Services refers to the activities and resources of the 10 distinct service categories that support Program delivery in the organization, regardless of the Internal Services delivery model in a department. The 10 service categories are: Management and Oversight Services; Communications Services; Legal Services; Human Resources Management Services; Financial Management Services; Information Management Services; Information Technology Services; Real Property Services; Materiel Services; and Acquisition Services.

Results

Internal Services include activities and resources that apply across the organization to support and enable delivery of the CGC's strategic outcome and programs. Because internal services are enabling activities, success can be measured based on results achieved with respect to government-wide priorities as well as key organizational priorities, programs and services.

During 2016-17, a key focus continued to be providing support and services with respect to the CGC's organizational priorities identified in the CGC's 2016-17 Report on Plans and Priorities. This included providing support with respect to adjusting programs, services and costs to remain relevant, developing and implementing plans for infrastructure and technology investment, developing communication materials to support the investing in stakeholder relations priority, and providing tools and resources aimed at ensuring the CGC continues to have a skilled, engaged, and adaptable workforce.

The [2017 Public Service Employee Annual Survey](#) took place from February 27 to March 24, 2017. The final response rate was 71 percent at the CGC compared to 52 percent for the Public Service. The results for the CGC were consistently higher than the Public Service average for almost all questions. The CGC is committed to following up on the results to identify areas that require improvement and strategies going forward. A more comprehensive Public Service Employee Survey, completed every three years, is scheduled in fall 2017-18.

Results from the 2015-16 [Management Accountability Framework](#)^{xxiii} (MAF) assessment did not identify any areas of concern that require new effort or attention. The goal of the annual MAF assessment is to improve management and oversight practices as well as support the Government of Canada's strategic direction for management. CGC

performance was measured in four core areas: People Management, Financial Management, Information Management and Information Technology (IM/IT), and Planning and Performance. During 2016-17, the CGC worked with AAFC and Treasury Board Secretariat to develop its Departmental Results Framework and Program Inventory as required by the Policy on Results. The new reporting framework will be in effect in fiscal year 2018-19.

The CGC was scheduled to onboard as part of a group of departments and agencies to My Government of Canada Human Resources (My GCHR) in October, 2016. However, the government's priorities shifted to address pay issues and stabilize the Phoenix pay system. For this reason, it was decided that onboarding to My GCHR should be delayed. The CGC is in the process of planning the move to My GCHR. Internally, CGC resources were re-allocated to proactively address pay issues. A Pay Integration Unit was established to help support employees who have complex or untimely pay issues and to support the resolution of larger scale problems affecting employee pay.

On April 1, 2016, the CGC implemented SAP and Cognos Business Intelligence reporting as its new financial management system and reporting tool in partnership with the Central Agency Cluster –Shared Systems hosted by the Treasury Board Secretariat. Through this project, the CGC achieved its goal of eliminating the use of multiple legacy systems thereby improving efficiency, data integrity, and compliance with Government of Canada standards. Working collaboratively with these partners gives the CGC access to support, lessons learned and a community of practice that will continue to benefit the department going forward.

The Policy Suite Reset was initiated by Treasury Board Secretariat to streamline and clarify Treasury Board policy instruments while shifting public service culture towards a focus on better service and results. The CGC is currently assessing internal documentation to ensure continued compliance with TBS policies.

An Audit of Design and Operating Effectiveness of Entity Level Controls (ELC's) was conducted for the 2016-17 fiscal year. The objective of the audit was to assess the design and test the operating effectiveness of ELC's against an established framework. A management action plan was developed with the majority to be completed by March 31, 2018 and the remainder by the end of 2019.

Budgetary financial resources (dollars)

	2016–17 Main Estimates	2016–17 Planned Spending	2016–17 Total Authorities Available for Use	2016–17 Actual Spending (authorities used)	2016–17 Difference (actual minus planned)
Gross Program expenditures	245,000	17,351,752	17,372,406	17,823,367	471,615
Program expenditures offset by revolving fund revenues	-	(17,106,752)	(17,122,669)	(17,569,865)	(463,113)
Program expenditures NET of revolving fund revenues	245,000	245,000	249,737	253,502	8,502
Revolving Fund Details					
Program expenditures offset by revolving fund revenues	-	17,106,752	17,122,669	17,569,865	463,113
Revenues generated by the Program	-	(17,106,752)	(17,122,669)	(11,105)	17,095,647
Deficit (Surplus) funds required from (contributed to) the revolving fund ¹	-	-	-	17,558,760	17,558,760

¹ The CGC's revolving fund allows surplus revenues raised by one program to be redirected to cover the costs of another program. In 2016-17, \$17.559 million raised through the Quality Assurance Program was redirected to fund Internal support services.

2016-17 actual spending was \$0.472 million more than 2016-17 planned spending primarily due to increased spending in staffing and professional services.

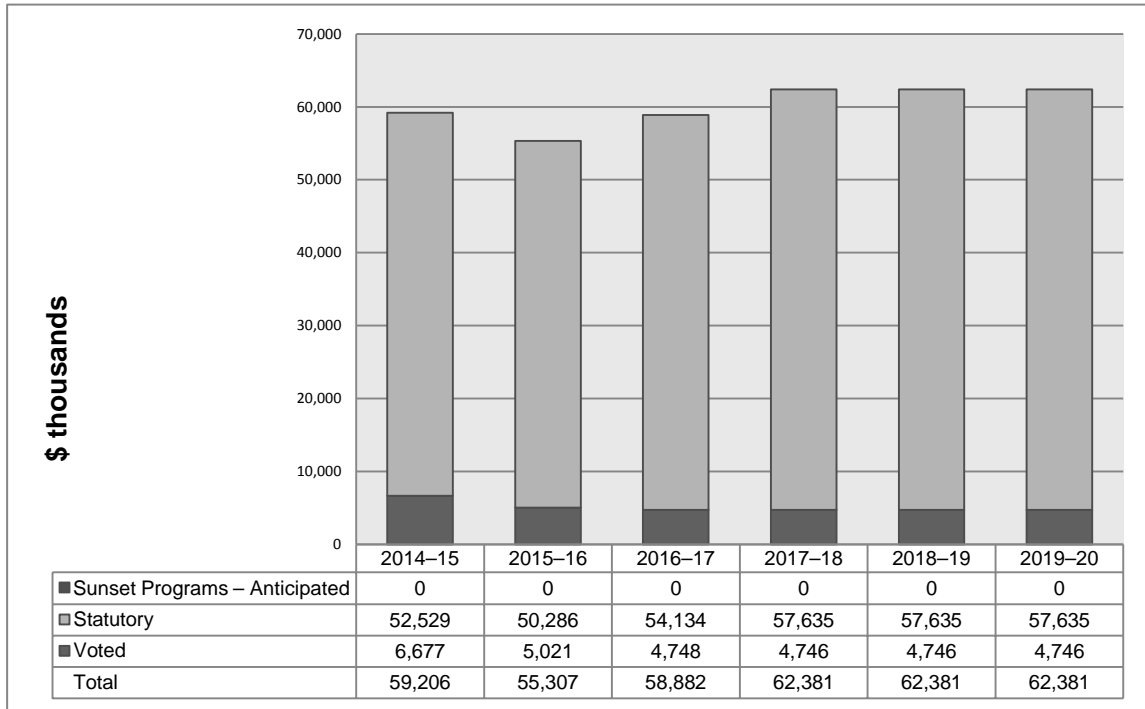
Human resources (full-time equivalents)

2016–17 Planned	2016–17 Actual	2016–17 Difference (actual minus planned)
92	110	18

Analysis of trends in spending and human resources

Actual expenditures

Departmental spending trend graph



Budgetary performance summary for Programs and Internal Services (dollars)

Programs and Internal Services	2016–17 Main Estimates	2016–17 Planned spending	2017–18 Planned spending	2018–19 Planned spending	2016–17 Total authorities available for use	2016–17 Actual spending (authorities used)	2015–16 Actual spending (authorities used)	2014–15 Actual spending (authorities used)
Quality Assurance Program	-	28,835,016	29,826,328	29,826,328	28,841,018	26,679,401	26,136,529	29,782,644
Quantity Assurance Program	-	1,915,901	1,467,293	1,467,293	1,915,901	1,632,427	1,602,533	2,073,118
Grain Quality Research Program	5,136,924	9,785,958	9,315,521	9,315,521	9,771,110	9,281,360	8,006,761	8,857,999
Producer Protection Program		3,861,205	3,799,896	3,799,896	3,861,205	3,465,264	3,511,286	3,542,298
Subtotal	5,136,924	44,398,080	44,409,038	44,409,038	44,389,234	41,058,452	39,257,109	44,256,059
Internal Services	245,000	17,351,752	17,971,898	17,971,898	17,372,406	17,823,367	16,049,822	14,949,633
Gross expenditures	5,381,924	61,749,832	62,380,936	62,380,936	61,761,640	58,881,819	55,306,931	59,205,692
Expenditures offset by revolving fund revenues	-	(56,367,908)	(57,081,823)	(57,081,823)	(56,396,910)	(53,581,663)	(49,705,825)	(51,714,898)
Expenditures NET of revolving fund revenues	5,381,924	5,381,924	5,299,113	5,299,113	5,364,730	5,300,156	5,601,106	7,490,794

Revolving Fund Details								
Expenditures offset by revolving fund revenues	-	56,367,908	57,081,823	57,081,823	56,396,910	53,581,663	49,705,825	51,714,898
Revolving fund revenues generated	-	(56,367,908)	(57,081,823)	(57,081,823)	(56,396,910)	(79,454,806)	(76,516,074)	(76,118,038)
Deficit (Surplus) funds required from (contributed to) the revolving fund	-	-	-	-	-	(25,873,143)	(26,810,249)	(24,403,140)

Note: Amounts reported for 2017-18 and 2018-19 are consistent with 2016-17 and do not include adjustments for inflation or revised user fees. This is consistent with identified spending in the 2016-17 Report on Plans and Priorities.

CGC revenues are dependent on annual grain volumes that can fluctuate considerably from year to year and are not fully known prior to commencement of the fiscal year. This can result in significant variances between CGC projected revenues and actual revenues. In years with higher-than-average grain volumes, revenues may exceed costs and the CGC could accumulate surpluses (shown as unused authority carried forward in Public Accounts). In years with lower-than-average grain volumes, revenues could be less than costs and the CGC is required to draw on its surpluses. The updated fees for the 2013 to 2018 user fees cycle were based on an annual average grain volume of 23.253 million metric tonnes. A simple 15-year average linear regression model of grain volumes inspected and weighed by the CGC was used to establish the average of 23.253 million metric tonnes. Since the implementation of the new user fee schedule on August 1, 2013, the CGC has inspected and weighed significantly higher than projected export grain volumes while operating costs have remained relatively constant. While the updated funding model and user fees have eliminated the CGC's dependence on annual ad hoc federal appropriations, the CGC has accumulated a surplus due to higher than expected grain volumes in recent years.

2016-17 total actual spending is \$2.868 million less than 2016-17 planned spending. This is primarily due to project delays for infrastructure renewal. CGC's actual spending has stabilized at approximately \$60 million. The CGC has been accumulating surplus and has

taken steps to control the further accumulation of surplus funds in the CGC revolving fund by reducing two user fees as of August 1, 2017.

Actual human resources

Human resources summary for Programs and Internal Services
(full-time equivalents)

Programs and Internal Services	2014–15 Actual	2015–16 Actual	2016–17 Planned	2016–17 Actual	2017–18 Planned	2018–19 Planned
Quality Assurance Program	199	215	219	219	211	211
Quantity Assurance Program	14	14	15	16	15	15
Grain Quality Research Program	59	45	47	48	43	43
Producer Protection Program	23	30	31	33	31	31
Subtotal	295	304	312	316	300	300
Internal Services	100	91	92	110	104	104
Total	395	395	404	426	404	404

Note: Planned FTEs reported for 2017-18 and 2018-19 are consistent with 2016-17 and do not include adjustments for inflation or updated fees. This is consistent with identified FTEs in the 2016-17 Report on Plans and Priorities.

2016-17 total actual planned full-time equivalents (FTEs) is 22 more than 2016-17 planned FTEs. The increase is primarily due to temporary support required for investing in infrastructure and technology, addressing pay issues arising from the Phoenix pay system, and enhancing the Grain Research Laboratory harvest survey and grain safety.

Expenditures by vote

For information on the Canadian Grain Commission's organizational voted and statutory expenditures, consult the [Public Accounts of Canada 2017](#)^{xxiv}.

Alignment of spending with the whole-of-government framework

Alignment of 2016–17 actual spending with the [whole-of-government framework](#)^{xxv} (dollars)

Program	Spending area	Government of Canada activity	2016–17 Actual spending
Quality Assurance Program	Economic Affairs	An innovative and knowledge-based economy	26,679,401
Quantity Assurance Program	Economic Affairs	An innovative and knowledge-based economy	1,632,427
Grain Quality Research Program	Economic Affairs	An innovative and knowledge-based economy	9,281,360
Producer Protection Program	Economic Affairs	A fair and secure marketplace	3,465,264

Total spending by spending area (dollars)

Spending area	Total planned spending	Total actual spending
Economic affairs	44,398,080	41,058,452
Social affairs	0	0
International affairs	0	0
Government affairs	0	0

Financial statements and financial statements highlights

Financial statements

The Canadian Grain Commission's financial statements for the year ended March 31, 2017, are available on the [Canadian Grain Commission's website](#)^{xxvi}.

Financial statements highlights

Condensed Statement of Operations (unaudited) for the year ended March 31, 2017 (dollars)

Financial information	2016–17 Planned results	2016–17 Actual	2015–16 Actual	Difference (2016–17 actual minus 2016–17 planned)	Difference (2016–17 actual minus 2015–16 actual)
Total expenses ¹	60,658,585	59,495,058	55,479,026	(1,163,527)	4,016,032
Total revenues ²	(56,367,908)	(77,888,827)	(79,022,396)	(21,520,919)	1,133,569
Net cost of operations before government funding and transfers	4,290,677	(18,393,769)	(23,543,370)	(22,684,446)	5,149,601

Notes:

1. Total expenses include workers' compensation benefits paid by Employment and Social Development Canada to provincial Workers' Compensation Boards and Commissions for handling of claims filed under the *Government Employees Compensation Act*.
2. Total revenues exclude appropriation revenues. 2016-17 planned results have been restated from total revenues of the future-oriented statement of operations to exclude appropriations.

2016-17 Actual to 2016-17 Planned:

The net cost of operations before government funding and transfers for 2016-17 is \$(18.394) million, a decrease of \$22.684 million from planned results of \$4.291 million.

This is due to:

- a. decreased actual expenses of \$1.164 million as compared to planned expenses. Decreased actual expenses are primarily related to decreased expenses in amortization due to delays in investment and infrastructure and overall decreased expenses in professional services; and
- b. increased actual revenue of \$21.521 million as compared to planned revenue primarily due to increased CGC inspected and weighed grain volumes. During 2016-17, actual CGC inspected and weighed grain volumes (37.560 million

metric tonnes) were 14.307 million metric tonnes more than planned grain volumes (23.253 million metric tonnes).

2016-17 Actual to 2015-16 Actual:

The net cost of operations before government funding and transfers for 2016-17 is \$(18.394) million, an increase of \$5.150 million from 2015-16. This is due to:

- a. increased expenses of \$4.016 million in 2016-17 as compared to 2015-16 primarily due to increased salary and associated employee benefits as a result of inflation increases in the salary base and retroactive payments; and
- b. decreased revenues of \$1.134 million in 2016-17 as compared to 2015-16 primarily due to decreased grain volumes inspected and weighed by the CGC. During 2016-17, the CGC inspected and weighed 0.871 million metric tonnes of grain less than were handled in 2015-16.

Condensed Statement of Financial Position (unaudited) as at March 31, 2017 (dollars)

Financial Information	2016–17	2015–16	Difference (2016–17 minus 2015–16)
Total net liabilities	14,491,382	10,958,682	3,532,700
Total net financial assets	9,767,326	11,284,624	(1,517,298)
Departmental net debt	4,724,056	(325,942)	5,049,998
Total non-financial assets	9,183,275	7,927,265	1,256,010
Departmental net financial position	4,459,219	8,253,207	(3,793,988)

The departmental net financial position in 2016-17 was \$4.459 million, a decrease of \$3.794 million from 2015-16 departmental financial position of \$8.253 million. This is primarily due to an increase in total net liabilities of \$3.533 million primarily as a result of increased in accounts payable due to adherence to Treasury Board policy for payment on net 30 days, and an increase in salaries payable mainly due to an increase in retroactive payment accrual for outstanding collective agreements.

Supplementary information

Corporate information

Organizational profile

Appropriate Minister: The Honourable Lawrence MacAulay, P.C., M.P.

Institutional Head: Patti Miller, Chief Commissioner

Ministerial Portfolio: Agriculture and Agri-Food (AAF)

Enabling Instrument: [Canada Grain Act](#)^{xxvii}, R.S.C. 1985, c. G-10

Year of Incorporation / Commencement: 1912

Other: The CGC's head office is located in Winnipeg, Manitoba. The CGC operates two regional offices and eight service centres across Canada. Funding for CGC programs and activities is through a combination of revolving fund and appropriation sources.

Reporting framework

The Canadian Grain Commission's Strategic Outcome and Program Alignment Architecture of record for 2016–17 are shown below.

1. Strategic Outcome: Canada's grain is safe, reliable and marketable and Canadian grain producers are properly compensated for grain deliveries to licensed grain companies

1.1 Program: Quality Assurance Program

1.2 Program: Quantity Assurance Program

1.3 Program: Grain Quality Research Program

1.4 Program: Producer Protection Program

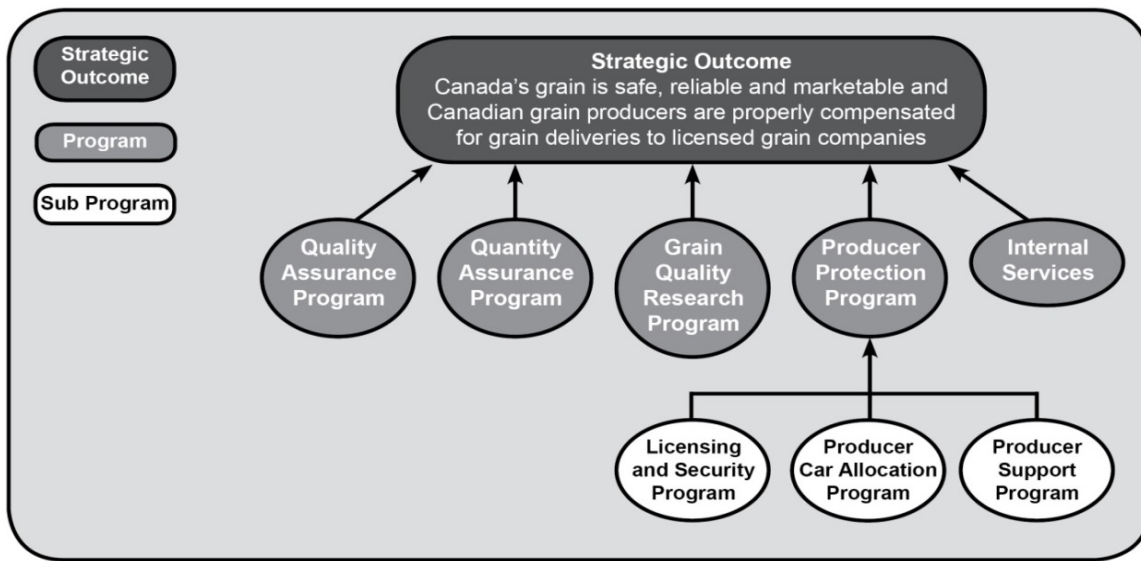
1.4.1 Sub-Program: Licensing and Security Program

1.4.2 Sub-Program: Producer Car Allocation Program

1.4.3 Sub-Program: Producer Support Programs

Internal Services

Figure 1: CGC Program Alignment Architecture



Supporting information on lower-level programs

Supporting information on lower-level programs is available on the [Canadian Grain Commission's website](#)^{xxviii}.

Supplementary information tables

The following supplementary information tables are available on the [Canadian Grain Commission's website](#)^{xxix}:

- ▶ Departmental Sustainable Development Strategy
- ▶ Internal audits and evaluations
- ▶ Response to parliamentary committees and external audits
- ▶ User fees, regulatory charges and external fees

Federal tax expenditures

The tax system can be used to achieve public policy objectives through the application of special measures such as low tax rates, exemptions, deductions, deferrals and credits. The Department of Finance Canada publishes cost estimates and projections for these measures each year in the [Report on Federal Tax Expenditures](#).^{xxx} This report also provides detailed background information on tax expenditures, including descriptions, objectives, historical information and references to related federal spending programs. The tax measures presented in this report are the responsibility of the Minister of Finance.

Organizational contact information

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Canada

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Fax: 204-983-6098

Email: contact@grainscanada.gc.ca

CGC website: www.grainscanada.gc.ca^{xxxi}

Appendix: definitions

appropriation (crédit)

Any authority of Parliament to pay money out of the Consolidated Revenue Fund.

budgetary expenditures (dépenses budgétaires)

Operating and capital expenditures; transfer payments to other levels of government, organizations or individuals; and payments to Crown corporations.

Core Responsibility (responsabilité essentielle)

An enduring function or role performed by a department. The intentions of the department with respect to a Core Responsibility are reflected in one or more related Departmental Results that the department seeks to contribute to or influence.

Departmental Plan (Plan ministériel)

Provides information on the plans and expected performance of appropriated departments over a three-year period. Departmental Plans are tabled in Parliament each spring.

Departmental Result (résultat ministériel)

A Departmental Result represents the change or changes that the department seeks to influence. A Departmental Result is often outside departments' immediate control, but it should be influenced by program-level outcomes.

Departmental Result Indicator (indicateur de résultat ministériel)

A factor or variable that provides a valid and reliable means to measure or describe progress on a Departmental Result.

Departmental Results Framework (cadre ministériel des résultats)

Consists of the department's Core Responsibilities, Departmental Results and Departmental Result Indicators.

Departmental Results Report (Rapport sur les résultats ministériels)

Provides information on the actual accomplishments against the plans, priorities and expected results set out in the corresponding Departmental Plan.

Evaluation (évaluation)

In the Government of Canada, the systematic and neutral collection and analysis of evidence to judge merit, worth or value. Evaluation informs decision making, improvements, innovation and accountability. Evaluations typically focus on programs, policies and priorities and examine

questions related to relevance, effectiveness and efficiency. Depending on user needs, however, evaluations can also examine other units, themes and issues, including alternatives to existing interventions. Evaluations generally employ social science research methods.

full-time equivalent (équivalent temps plein)

A measure of the extent to which an employee represents a full person-year charge against a departmental budget. Full-time equivalents are calculated as a ratio of assigned hours of work to scheduled hours of work. Scheduled hours of work are set out in collective agreements.

government-wide priorities (priorités pangouvernementales)

For the purpose of the 2016–17 Departmental Results Report, government-wide priorities refers to those high-level themes outlining the government's agenda in the 2015 Speech from the Throne, namely: Growth for the Middle Class; Open and Transparent Government; A Clean Environment and a Strong Economy; Diversity is Canada's Strength; and Security and Opportunity.

horizontal initiatives (initiative horizontale)

An initiative where two or more federal organizations, through an approved funding agreement, work toward achieving clearly defined shared outcomes, and which has been designated (for example, by Cabinet or a central agency) as a horizontal initiative for managing and reporting purposes.

Management, Resources and Results Structure (Structure de la gestion, des ressources et des résultats)

A comprehensive framework that consists of an organization's inventory of programs, resources, results, performance indicators and governance information. Programs and results are depicted in their hierarchical relationship to each other and to the Strategic Outcome(s) to which they contribute. The Management, Resources and Results Structure is developed from the Program Alignment Architecture.

non-budgetary expenditures (dépenses non budgétaires)

Net outlays and receipts related to loans, investments and advances, which change the composition of the financial assets of the Government of Canada.

performance (rendement)

What an organization did with its resources to achieve its results, how well those results compare to what the organization intended to achieve, and how well lessons learned have been identified.

performance indicator (indicateur de rendement)

A qualitative or quantitative means of measuring an output or outcome, with the intention of gauging the performance of an organization, program, policy or initiative respecting expected results.

performance reporting (production de rapports sur le rendement)

The process of communicating evidence-based performance information. Performance reporting supports decision making, accountability and transparency.

planned spending (dépenses prévues)

For Departmental Plans and Departmental Results Reports, planned spending refers to those amounts that receive Treasury Board approval by February 1. Therefore, planned spending may include amounts incremental to planned expenditures presented in the Main Estimates.

A department is expected to be aware of the authorities that it has sought and received. The determination of planned spending is a departmental responsibility, and departments must be able to defend the expenditure and accrual numbers presented in their Departmental Plans and Departmental Results Reports.

plans (plans)

The articulation of strategic choices, which provides information on how an organization intends to achieve its priorities and associated results. Generally a plan will explain the logic behind the strategies chosen and tend to focus on actions that lead up to the expected result.

priorities (priorité)

Plans or projects that an organization has chosen to focus and report on during the planning period. Priorities represent the things that are most important or what must be done first to support the achievement of the desired Strategic Outcome(s).

program (programme)

A group of related resource inputs and activities that are managed to meet specific needs and to achieve intended results and that are treated as a budgetary unit.

Program Alignment Architecture (architecture d'alignement des programmes)

A structured inventory of an organization's programs depicting the hierarchical relationship between programs and the Strategic Outcome(s) to which they contribute.

results (résultat)

An external consequence attributed, in part, to an organization, policy, program or initiative. Results are not within the control of a single organization, policy, program or initiative; instead they are within the area of the organization's influence.

statutory expenditures (dépenses législatives)

Expenditures that Parliament has approved through legislation other than appropriation acts. The legislation sets out the purpose of the expenditures and the terms and conditions under which they may be made.

Strategic Outcome (résultat stratégique)

A long-term and enduring benefit to Canadians that is linked to the organization's mandate, vision and core functions.

sunset program (programme temporisé)

A time-limited program that does not have an ongoing funding and policy authority. When the program is set to expire, a decision must be made whether to continue the program. In the case of a renewal, the decision specifies the scope, funding level and duration.

target (cible)

A measurable performance or success level that an organization, program or initiative plans to achieve within a specified time period. Targets can be either quantitative or qualitative.

voted expenditures (dépenses votées)

Expenditures that Parliament approves annually through an Appropriation Act. The Vote wording becomes the governing conditions under which these expenditures may be made.

Endnotes

- i. CGC audited financial statements, <http://www.grainscanada.gc.ca/cgc-ccg/cr-rm/crm-mrm-eng.htm>
- ii. CGC website, <http://www.grainscanada.gc.ca/>
- iii. Modernize Canada's Wheat Class System, <http://www.grainscanada.gc.ca/consultations/classes-en.htm>
- iv. Canadian Eastern Wheat Class Modernization, <http://www.grainscanada.gc.ca/consultations/2017/ewcm-en-17.htm>
- v. Canadian Grain Commission's mandate letter from the Minister of AAF, <http://www.agr.gc.ca/eng/about-us/partners-and-agencies/canadian-grain-commission-mandate-letter/?id=1475092309475>
- vi. Quality Assurance Program, <http://www.grainscanada.gc.ca/quality-qualite/ggm-mgg-eng.htm>
- vii. CGC Audit of Weighing Services Unit, <http://www.grainscanada.gc.ca/cgc-ccg/cr-rm/audits-verifications/aws-asp/aws-asp-en.htm>
- viii. Quantity Assurance Program, <http://www.grainscanada.gc.ca/quantity-quantite/iaqnm-mrsqn-eng.htm>
- ix. Western Standards Committee Recommendations, <http://www.grainscanada.gc.ca/gscommittee-comiteng/wcs-cno/wscr-rcng-eng.htm>
- x. Eastern Standards Committee Recommendations, <http://www.grainscanada.gc.ca/gscommittee-comiteng/esc-cne/escr-rcne-eng.htm>
- xi. Grain Research Laboratory Crops Section, <http://www.grainscanada.gc.ca/cgc-ccg/grl-lrg/csm-msdc-eng.htm>
- xii. Harvest and export quality reports on Canadian grain, <http://www.grainscanada.gc.ca/quality-qualite/geuq-quf-eng.htm>
- xiii. Grain Research Laboratory Technologies Section, <http://www.grainscanada.gc.ca/cgc-ccg/grl-lrg/tsm-msdt-eng.htm>
- xiv. Grain Research Laboratory Annual Program Report 2016, <http://www.grainscanada.gc.ca/cgc-ccg/grl-lrg/annual/2016grlannual-en.pdf>
- xv. Grain Quality Research Program, <http://www.grainscanada.gc.ca/research-recherche/iarm-mrsr-eng.htm>
- xvi. Sub-program supporting information, <http://grainscanada.gc.ca/cgc-ccg/cr-rm/dpr-rmr/2017/supplementary-17-en.html>
- xvii. Licence exemptions examined in grain sector consultations, <https://www.canada.ca/en/grain-commission/news/2016/04/licence-exemptions-examined-in-grain-sector-consultation.html>
- xviii. Stakeholder feedback on proposals to license producer railway car loading facilities, agents and feed mills, <https://www.grainscanada.gc.ca/consultations/2016/summary-resume/licensing-feedback-en.htm>
- xix. Sub-program supporting information, <http://www.grainscanada.gc.ca/cgc-ccg/cr-rm/dpr-rmr/2017/sp-sp-2017-eng.htm>
- xx. Producer Protection Program, <http://www.grainscanada.gc.ca/producer-producteur/ifpm-mrdp-eng.htm>
- xxi. CGC website, <http://grainscanada.gc.ca/>
- xxii. TBS InfoBase, <https://www.tbs-sct.gc.ca/ems-sgd/edb-bdd/index-eng.html#start>
- xxiii. Management Accountability Framework, <http://www.tbs-sct.gc.ca/maf-crg/index-eng.asp>
- xxiv. Public Accounts of Canada 2017, <http://www.tpsgc-pwgsc.gc.ca/recgen/cpc-pac/index-eng.html>
- xxv. Whole-of-government framework, [https://www.tbs-sct.gc.ca/ems-sgd/edb-bdd/index-eng.html#tag-nav/~\(current_branch~'GOCO~sort_key~'name~sort_direction~'asc~open_nodes~\(~'tag_SA0001~'tag_SA9999~'tag_SA0002~'tag_SA0003~'tag_SA0004~'tag_SA0005\)\)](https://www.tbs-sct.gc.ca/ems-sgd/edb-bdd/index-eng.html#tag-nav/~(current_branch~'GOCO~sort_key~'name~sort_direction~'asc~open_nodes~(~'tag_SA0001~'tag_SA9999~'tag_SA0002~'tag_SA0003~'tag_SA0004~'tag_SA0005)))

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- xxvi. CGC website, <http://www.grainscanada.gc.ca/>
 - xxvii. Canada Grain Act, <http://laws-lois.justice.gc.ca/eng/acts/G-10/>
 - xxviii. CGC website, <http://www.grainscanada.gc.ca/>
 - xxix. CGC website, <http://www.grainscanada.gc.ca/>
 - xxx. Report on Federal Tax Expenditures, <http://www.fin.gc.ca/purl/taxexp-eng.asp>
 - xxxi. CGC website, <http://www.grainscanada.gc.ca/>