

Canadian Grain Commission

2019–20

Departmental Plan

The Honourable Marie-Claude Bibeau,
Privy Councillor, Member of Parliament,
Minister of Agriculture and Agri-Food

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Minister's message

I'm pleased to present to Parliament and Canadians the 2019-20 Departmental Plan for the Canadian Grain Commission. This report outlines the Canadian Grain Commission's key areas of focus and intended results for the upcoming year.

The Canadian Grain Commission regulates grain handling in Canada and establishes science-based standards for Canadian grain. This work forms the backbone of Canada's strong Grain Quality Assurance System and safeguards our global reputation as a supplier of consistently safe and dependable quality grain.



As Canada's Minister of Agriculture and Agri-Food, my goal is to support the agriculture sector in a way that allows it to be a source of job creation and innovation. I'll continue to work with the Canadian Grain Commission, and all stakeholders, to ensure Canada's grain sector remains economically strong, competitive, and sustainable. My mandate letter sets out sector-specific priorities that include helping the sector get products to markets, research and innovation, food safety, and support for exporters.

Canada has the best grain farmers in the world, in part, thanks to day-to-day support from the Canadian Grain Commission's innovative programs and services. Delivering clear benefits to farmers and adding value to the grain sector will be a priority of the organization's surplus investment framework for 2019-20 and beyond.

I look forward to working with the Canadian Grain Commission to keep Canada's grain sector innovative, prosperous, and dependable. Together we'll continue to deliver clear and tangible results for Canadians.

**The Honourable Marie-Claude Bibeau,
Privy Councillor, Member of Parliament,
Minister of Agriculture and Agri-Food**

Chief Commissioner's message

As Chief Commissioner, I'm so proud of the work we do at the Canadian Grain Commission to benefit Canadian grain farmers, the grain sector, and all Canadians. That's why I'm excited to share our Departmental Plan for 2019-20 with you. The plan outlines how we'll deliver clear results for a dynamic and competitive grain sector, while meeting our mandate under the Canada Grain Act.



In all that we do, we're guided by our core responsibility to regulate grain handling in Canada and to establish and maintain science-based standards for Canadian grain. Thanks to our work, customers of Canadian grain view Canada's Grain Quality Assurance System as the best in the world. They trust Canadian grain will consistently meet their evolving needs for quality and safety. When I meet with international customers of Canadian grain, it is clear to me the vital role the Canadian Grain Commission has in upholding this reputation.

Because the Canadian grain sector is always growing and changing, we continue to have valuable opportunities to rethink and innovate our programs and services, and re-invest in the Canadian grain sector itself. Going forward, our key areas of focus include modernizing the Canadian Grain Commission's regulatory framework and thoughtfully investing surplus funds to provide strong benefits to grain farmers and add value to the grain sector. By setting key areas of focus and capitalizing on these innovation opportunities, we intend to continue as a world leader in grain science.

I am confident that the Canadian Grain Commission will continue to deliver modernized programs and services that benefit the entire grain value chain, from Canadian grain farmers to international grain markets, in 2019-20 and beyond.

Patti Miller
Chief Commissioner
Canadian Grain Commission

Plans at a glance and operating context

The Canadian Grain Commission's Core Responsibility is to regulate grain handling in Canada, and establish and maintain science-based standards for Canadian grain. The Departmental Results of this Core Responsibility are that domestic and international markets regard Canadian grain as dependable and safe and that farmers are fairly compensated for their grain.

The Canadian Grain Commission is committed to working in close collaboration with grain sector stakeholders¹, Agriculture and Agri-Food Canada, central agencies, and other domestic and foreign government entities to deliver on its Core Responsibility and Departmental Results.

The majority of Canadian Grain Commission resources are dedicated to providing effective and sustainable programs and services to deliver upon its mandate and achieve its Departmental Results. However, in recent years, the Canadian Grain Commission has also dedicated resources to strategic initiatives identified within its key areas of focus. The Canadian grain sector has experienced a period of significant transformation, and the Canadian Grain Commission's programs and services continually require adjustment and enhancement to meet the evolving needs of farmers and the grain sector.

The following areas of focus support the Canadian Grain Commission's Core Responsibility and achievement of its planned results for 2019-20:

Innovating Canadian Grain Commission programs, services, and the regulatory framework to meet the needs of the grain sector and ensure a dependable commodity

Through scientific and evidence-based research, the Canadian Grain Commission will innovate programs, services, and the regulatory framework to meet the evolving needs of the grain sector and support the Government's innovation and growth agendas. Providing more specialized and timely programs and services, and reviewing the regulatory framework would reflect Canadian and global grain market needs for a more agile and responsive system.

Providing technical guidance to mitigate risks associated with market access for Canadian grain exports

The Canadian Grain Commission is committed to providing technical guidance to mitigate risks associated with market access for Canadian grain exports. Market access risks are seen as arising mainly, though not exclusively, from heightened market sensitivity to actual or perceived food-safety issues. Mitigating market access risks for Canadian grain exports requires the utilization of

¹ Grain sector stakeholders include, but are not limited to, farmers, grain companies, and farmer and industry organizations.

the Canadian Grain Commission’s scientific expertise, access to extensive grain samples, information to address heightened market sensitivities, and collaboration with stakeholders.

Implementing the surplus investment framework to deliver clear benefits to producers and add value to the grain sector

An investment framework will allow for critical strategic re-investment of funds to modernize the Canadian Grain Commission’s programs and services to deliver clear benefits to producers and add value to the grain sector. In collaboration with stakeholders, the framework will strengthen safeguards for producers, invest in grain quality assurance to provide more timely and modernized services, and enhance grain quality science and innovation by re-investing in laboratory equipment and capacity.

Operating context

External Environment

- The Canadian grain sector has experienced a period of significant transformation within the past 10 years including the ending of the Canadian Wheat Board’s single desk for wheat and barley marketing in 2012 and the transfer of inward inspection and weighing services from the Canadian Grain Commission to the private sector in 2013. Additionally, there are ongoing challenges with the transportation of grain by railcar, grain companies with grain elevators on the prairies have consolidated significantly, and investment spending related to grain handling facilities and grain processing facilities has occurred.
- The Canadian grain sector faces uncertainty regarding access to international markets due to heightened market sensitivity related to real and perceived grain quality and safety issues. There is increasing emphasis on selling to specification, ongoing transition toward analytical assessment of grain quality factors, as well as the focus on niche-marketing and increased value-added processing. Through scientific research, the Canadian Grain Commission has addressed concerns from some international grain markets that the intrinsic quality of Canadian grain has declined and market access issues in relation to factors such as genetically modified grains and pesticide residues.
- Canadian grain production and grain exports have both increased in recent years, which has increased pressure for timely service delivery and documentation to clients. The 10-year average for Canadian grain production between crop years 2008-09 to 2017-18 was 82.183 million metric tonnes, whereas production was 94.285 million metric tonnes in 2016-17, 93.213 million metric tonnes in crop year 2017-18, and forecast to be 92.676 million metric

tonnes in crop year 2018-19². The recent 5-year average volumes (2013-14 to 2017-18) was 22.5 percent higher than the previous 5-year average. Additionally, Canadian grain exports from Canadian Grain Commission-licensed grain elevators averaged 36.372 million metric tonnes between crop years 2008-09 to 2017-18, whereas exports were 41.743 million metric tonnes in crop year 2017-18, 41.566 million metric tonnes in fiscal year 2016-17 and 40.403 million metric tonnes in crop year 2015-16³.

	Production (million metric tonnes)	Export (million metric tonnes)
2008-09 to 2017-18 (10-year average)	82.183	36.372
2015-16	85.590	40.403
2016-17	94.285	41.566
2017-18	93.213	41.743
2018-19	92.679 (forecast)	

Internal Influences

- The Canadian Grain Commission’s funding history has limited its ability to refresh its infrastructure and technology. On August 1, 2013, updated fees came into effect after having been frozen for over 20 years. Prior to updating fees in 2013, prolonged periods of ad-hoc and unstable funding resulted in the under-investment in the Canadian Grain Commission’s facilities and infrastructure, programs and services, grain research, and information management and technology. This placed stress on aging equipment and increased the risk of compromising program delivery. For example, the Grain Research Lab (GRL) infrastructure at 303 Main St. in Winnipeg, Manitoba is challenged to meet current and increasing demands due to aging laboratory infrastructure, equipment and limited analytical capacity. In September 2016, the Microbiology Unit moved to another location in Winnipeg that met specific infrastructure needs in order to enable program delivery. For more information on the Canadian Grain Commission’s fees, see the [Spending and human resources](#) section of this report.
- The Canadian Grain Commission has unique human resource challenges and opportunities due to its non-traditional and highly technical workforce where many of its employees are dedicated to scientific research or grain inspection. As of March 31, 2018, the average age of Canadian Grain Commission employees was 45 years and approximately 25.5 percent of the Canadian Grain Commission workforce was eligible to retire in five years or less. These factors have the potential to affect the continuity of corporate and technical knowledge, and capacity to deliver programs as currently mandated. To prevent loss of institutional knowledge, the Canadian Grain Commission continues to identify key positions for external

² Agriculture and Agri-Food Canada; Canada: Outlook for Principal Field Crops, <http://www.agr.gc.ca/eng/industry-markets-and-trade/canadian-agri-food-sector-intelligence/crops/reports-and-statistics-data-for-canadian-principal-field-crops/canada-outlook-for-principal-field-crops-2018-12-20/?id=1545406830226>

³ Canadian Grain Commission; Canadian grain exports (annual), <https://www.grainscanada.gc.ca/statistics-statistiques/cge-ecg/cgem-mecg-eng.htm>

recruitment or succession planning which includes identifying the competencies and learning requirements of these positions.

- The federal government’s [Budget 2018](#)ⁱⁱ proposed to pursue regulatory reform with a focus on making the Canadian regulatory system more agile, transparent, and responsive. This includes targeted reviews of regulatory bottlenecks, Canada’s leadership on internal trade at the Canadian Free Trade Agreement Regulatory Reconciliation and Cooperation Table, and the development of an e-regulation system to engage Canadians on regulation in order to improve transparency and efficiency of the overall rule-making process. As a regulatory department, the Canadian Grain Commission is part of this review.

For more information on the Canadian Grain Commission’s plans, priorities and planned results, see the “[Planned results](#)” section of this report.

Planned results: what we want to achieve this year and beyond

Core Responsibilities

Grain Regulation

Description

The Canadian Grain Commission regulates grain handling in Canada, and establishes and maintains science-based standards for Canadian grain.

Planning highlights

The planned results of the Canadian Grain Commission's Grain Regulation Core Responsibility are that domestic and international markets regard Canadian grain as dependable and safe and that farmers are fairly compensated for their grain. The day-to-day delivery of programs and services is in accordance with the Canada Grain Act. Key areas of focus and initiatives the Canadian Grain Commission plans to take to achieve these results are:

Innovating Canadian Grain Commission programs, services, and the regulatory framework to meet the needs of the grain sector and ensure a dependable commodity

The federal government's Budget 2018 proposed to pursue regulatory reform with a focus on making the Canadian regulatory system more agile, transparent, and responsive. As part of this, the Canadian Grain Commission contributed to a regulatory review of the Agri-Food and Aquaculture sector. To meet the needs of the grain sector and ensure a dependable commodity, the Canadian Grain Commission plans to modernize its regulatory framework.

A modernized Canadian Grain Commission regulatory framework will better reflect the substantial changes in the Canadian and global grain markets and support the Government's innovation, growth and regulatory reform agendas. Additionally, through scientific and evidence-based research, regulatory framework modernization will improve the grain grading system and producer protection and better reflect the operational realities of grain transactions. The Canadian Grain Commission will continue to strengthen the quality and dependability of Canadian grain by modernizing the grain grading system and wheat classes.

The Canadian Grain Commission is a world class, science-based quality assurance provider, which requires the Canadian Grain Commission to continually assess and implement technological innovation opportunities to continue as a grain science leader. To capitalize on valuable technological innovation opportunities the Canadian Grain Commission will re-invest in Canadian Grain Commission technology, scientific equipment, and facilities to support innovative programs and activities. This includes re-investing in terminal elevator upgrades and

leased spaces and engaging with the Federal Science and Technology Infrastructure Initiative (FSTII) to address the need for Grain Research Laboratory accommodation renewal.

Providing technical guidance to mitigate risks associated with market access for Canadian grain exports

The Canadian grain sector faces uncertainty regarding access to international markets due to heightened market sensitivity related to grain-quality and grain safety issues. Canadian Grain Commission programs and activities ensure that shipments of Canadian grain consistently meet contract specifications for quality, quantity, and safety.

The Canadian Grain Commission will integrate technical expertise and information to help mitigate market access issues for Canadian grain exports. This includes coordinating Canadian Grain Commission input to the Government of Canada market access efforts and working closely with AAFC and the Canadian Food Inspection Agency (CFIA) to resolve market access issues. Additionally, the Canadian Grain Commission will incorporate evidence based international and domestic feedback and analytics to mitigate risks to market access for Canadian grain exports.

Implementing the surplus investment framework to deliver clear benefits to producers and add value to the grain sector

The 2017 [Potential Use of Accumulated Surplus](#)ⁱⁱⁱ consultation document outlined several high-level proposals to use the surplus and asked stakeholders to contribute ideas. The Canadian Grain Commission also surveyed producers and the grain sector for proposals on how to use the surplus. The majority of stakeholder feedback indicated that if the money could not be refunded to producers, the Canadian Grain Commission's accumulated surplus should be directed toward activities that deliver clear benefits to producers and add value to the sector into the future.

After careful consideration and analysis of stakeholder input and options, the Canadian Grain Commission developed a surplus investment framework (the framework) to provide for critical strategic re-investment to modernize the Canadian Grain Commission's programs and services. Additionally, this framework supports the Canadian Grain Commission as a world class, science-based quality assurance organization. This framework will ensure the effective and efficient delivery of programs and services, as currently mandated, to deliver clear benefits to producers and the grain sector.

On August 1, 2018, the Canadian Grain Commission announced plans to invest approximately \$130 million of the accumulated surplus funds in programs and services through the surplus investment framework. Through the framework, \$90 million will be invested in strategic initiatives starting in 2018-19 and beyond. The Canadian Grain Commission will hold the remaining funds as a contingency operating reserve. The infographic below describes how the

Canadian Grain Commission will invest funds within the framework as well as the three key pillars of investment, which will provide sustainable, ongoing benefits to producers and the grain sector:



The Canadian Grain Commission plans to conduct further stakeholder consultations as appropriate to continue developing initiatives under the surplus investment framework. Additional framework information is located on the [Canadian Grain Commission's website](#)^{iv}.

Gender-Based Analysis plus

Planned results for the Canadian Grain Commission's Core Responsibility of Grain Regulation do not affect the government-wide priorities of gender equality, diversity and inclusiveness. However, the Canadian Grain Commission contributes to these priorities by incorporating gender-based analysis plus into its employment equity and diversity goals and framework. The [Gender-based analysis plus supplementary information table](#) details these initiatives.

Key risks

The Canadian Grain Commission has identified three key corporate risks and one key corporate opportunity that could affect achieving planned results under its Core Responsibility. These risks are as follows:

- ensuring Canadian grain is dependable and safe while balancing rapidly evolving grain sector needs
- the Canadian Grain Commission’s aging infrastructure, equipment, and technology
- the capacity to respond to opportunities while delivering upon the core mandate

The Canadian Grain Commission’s key corporate opportunity is to collaborate with stakeholders to effectively and efficiently deliver Departmental Results and promote the value of its programs and services.

The key risks and risk response strategies are on the [Canadian Grain Commission’s website](#)^v.

Experimentation

In alignment with the federal government’s evidence-based approach to achieve planned results and address problems that traditional approaches have been unable to solve, the Canadian Grain Commission is committed to innovation and experimentation.

In response to the increasing need for grain quality monitoring and requests to include more timely and objective assessments through the grain grading system, the Canadian Grain Commission investigated the feasibility of providing onsite analytical services at a terminal elevator in 2017-18 through a pilot project. This pilot project took place at a Pacific Coast grain terminal and included analytical testing of deoxynivalenol (DON)⁴ and falling number⁵ in wheat during vessel loading resulting in the provision of real-time quantitative results to clients. The Canadian Grain Commission gathered valuable intelligence through the pilot and continues to look at options related to offering this service. The Canadian Grain Commission will evaluate the potential to implement onsite analytical services more widely in conjunction with broader reviews of official grain grading factors and service delivery practices.

The analytical services pilot project actual spending was \$94,754 and ended March 2018. Actual spending for the analytical services pilot project was 0.32 percent of the Grain Quality Program 2017-18 planned spending and 0.15 percent of the Canadian Grain Commission’s 2017-18

⁴ Also known as vomitoxin.

⁵ The falling number test evaluates the amount of alpha-amylase found in sprout damage in Canadian wheats, which impacts baking performance.

planned spending. Existing staff conducted pilot project testing, incurring no additional staffing resources.

Grain Regulation Core Responsibility planned spending is \$5,896,489⁶ and planned full-time equivalents is 330 for the 2019-20 fiscal year. Further Core Responsibility spending information is available in the [Spending and human resources](#) section of this report.

Planned results

Departmental Results	Departmental Result Indicators	Target	Date to achieve target	2015–16 Actual results	2016–17 Actual results	2017–18 Actual results
Domestic and international markets regard Canadian grain as dependable and safe	Percentage of stakeholders who regard Canadian grain as dependable and safe	TBD ¹	TBD ²	Not available ³	Not available ³	Not available ³
	Value of Canadian grain exports	\$30.6 billion ⁴	April 2025 ⁵	\$21.3 billion ⁶	\$20.2 billion ⁷	21.0 billion ⁸
Farmers are fairly compensated for their grain	Percentage of sales where farmers are compensated for their grain	100%	April 2019	99.99%	100%	100%
	Percentage of outstanding liabilities paid to farmers in the event of a default by a Canadian Grain Commission-licensed grain company	100% ⁹	April 2019	14.2% ^{10,11}	No company defaults ¹⁰	No company defaults ¹⁰

Note: Former performance results based on the Program Architecture Alignment structure are located in the Canadian Grain Commission's [Departmental Performance Report](#)^{vi} and [Departmental Results Report](#)^{vii}.

1. The first survey related to this new indicator is scheduled in 2019; results will be available for the 2019-20 reporting period.
2. This is a new indicator; the Canadian Grain Commission will establish baseline information April 2020.
3. Results are based on a biennial survey scheduled in 2019 and will be available for the 2019-20 reporting period.
4. Aligns with Agriculture and Agri-Food Canada's \$75 billion agricultural export target by 2025 where agriculture, agri-food, and seafood exports would have to grow at an average annual rate of 2.0 percent. Calculated as Canadian Grain Commission's \$25.5 billion baseline multiplied by Agriculture and Agri-Food Canada's \$75 billion target divided by \$62.5 billion.
5. Aligns with Agriculture and Agri-Food Canada's \$75 billion agricultural export target by 2025 as outlined in [Budget 2017](#)^{viii}.
6. Calculated for the 2015 calendar year with revised data from Statistics Canada.
7. Calculated for the 2016 calendar year with revised data from Statistics Canada.
8. Calculated for the 2017 calendar year with revised data from Statistics Canada.
9. In the event of a default by a Canadian Grain Commission-licensed grain company, the target is 100 percent.

⁶ Net of spendable revenues.

10. Where security is sufficient to cover eligible claims, the result is 100 percent. In years where there are no payment defaults by Canadian Grain Commission-licensed grain companies, the result is “no payment defaults”. In a year where a company default occurs but final payments are still to be determined, results will be recorded as “final payout to farmers to be determined”.
11. There was one default by a Canadian Grain Commission-licensed grain company in 2015-16. Security was not sufficient to cover eligible claims, which resulted in a 14.2 percent payout to farmers with eligible claims.

Budgetary financial resources (dollars)

2019–20 Main Estimates	2019–20 Planned spending ¹	2020–21 Planned spending ¹	2021–22 Planned spending ¹
5,896,489	5,896,489	6,206,796	6,206,796

1. Planned spending is net of responsible revenues.

Human resources (full-time equivalents)

2019–20 full-time equivalents	Planned	2020–21 full-time equivalents	Planned	2021–22 Planned full-time equivalents
330		330		330

Financial, human resources and performance information for the Canadian Grain Commission’s Program Inventory is available in the [GC InfoBase](#).^{ix}

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 services that support program delivery in the organization, regardless of the Internal Services delivery model in a department. These services are:

- Management and Oversight Services
- Communications Services
- Legal Services
- Human Resources Management Services
- Financial Management Services
- Information Management Services
- Information Technology Services
- Real Property Management Services
- Materiel Management Services
- Acquisition Management Services

Budgetary financial resources (dollars)

2019–20 Main Estimates	2019–20 Planned spending ¹	2020–21 Planned spending ¹	2021–22 Planned spending ¹
245,000	245,000	245,000	245,000

1. Planned spendings are net of spendable revenues.

Human resources (full-time equivalents)

2019–20 full-time equivalents	Planned	2020–21 full-time equivalents	Planned	2021–22 full-time equivalents	Planned
120		120		120	

Planning highlights

Internal Services are enabling activities and resources that apply across the organization to support and enable delivery of the Canadian Grain Commission's Core Responsibility and programs. The Canadian Grain Commission identified two over-arching priorities that are integral in guiding the Canadian Grain Commission's delivery of its areas of focus and initiatives outlined in the Plans at a glance section of this report.

The first of these priorities is promoting a healthy workplace, building a diverse public service, and supporting efforts to address the pay system. These are also government-wide corporate

commitments outlined by the Clerk of the Privy Council. Supporting Canadian Grain Commission staff to do their work efficiently and effectively ensures the Canadian Grain Commission will deliver upon its planned results.

The second priority that cuts across all areas of focus is strengthening effective communication across both external and internal audiences. Communicating information and progress on the areas of focus will engage staff and support delivery of each initiative. Strengthening effective external communications will provide awareness of our mandate, programs, and services to grain producers and the grain sector.

The Canadian Grain Commission uses the annual [Management Accountability Framework](#)^x assessment feedback to identify organizational strengths and opportunities going forward, as well as potential management priorities. Resources continue to be re-allocated to support the government's priority to address pay issues and stabilize the Phoenix pay system. The Pay Integration Unit provides support to employees who have complex or untimely pay issues and supports the resolution of larger scale problems affecting employee pay.

In 2018-19, the Canadian Grain Commission established a Project Management Office (PMO). The PMO will initiate e-services projects that align with Government of Canada digital service agenda and the Canadian Grain Commission's surplus investment framework. This work will help modernize Canadian Grain Commission programs and services in 2019-20 and beyond.

The Canadian Grain Commission's GRL accommodations require renewal to meet current program needs and upgrades to support the use of technology and specialized equipment. In 2019-20 and beyond, the Canadian Grain Commission will continue engaging with the Federal Science and Technology Infrastructure Initiative (FSTII) and central agencies to identify potential accommodation-related collaboration opportunities with other science-based departments in Winnipeg.

The Canadian Grain Commission's Information Management and Technology Services (IMTS) strategic plan will provide appropriate and innovative Information Technology and Information Management (IT/IM) services to meet operational needs and enhance end-user experience in a secure operational environment. This plan aligns with the Canadian Grain Commission's key areas of focus and prioritizes service, value, security, agility and innovation⁷.

The Canadian Grain Commission's integrated risk-based internal audit and program evaluation plans consider Canadian Grain Commission and government-wide priorities and major corporate initiatives. Internal audit provides assurance to the Chief Commissioner on governance, risk management, and internal control processes. Program evaluation provides management with

⁷ Service, value, security, agility, and innovation priorities are based on the strategic goals of the Government of Canada's Strategic Plan for Information Management and Information Technology for 2017 to 2021.

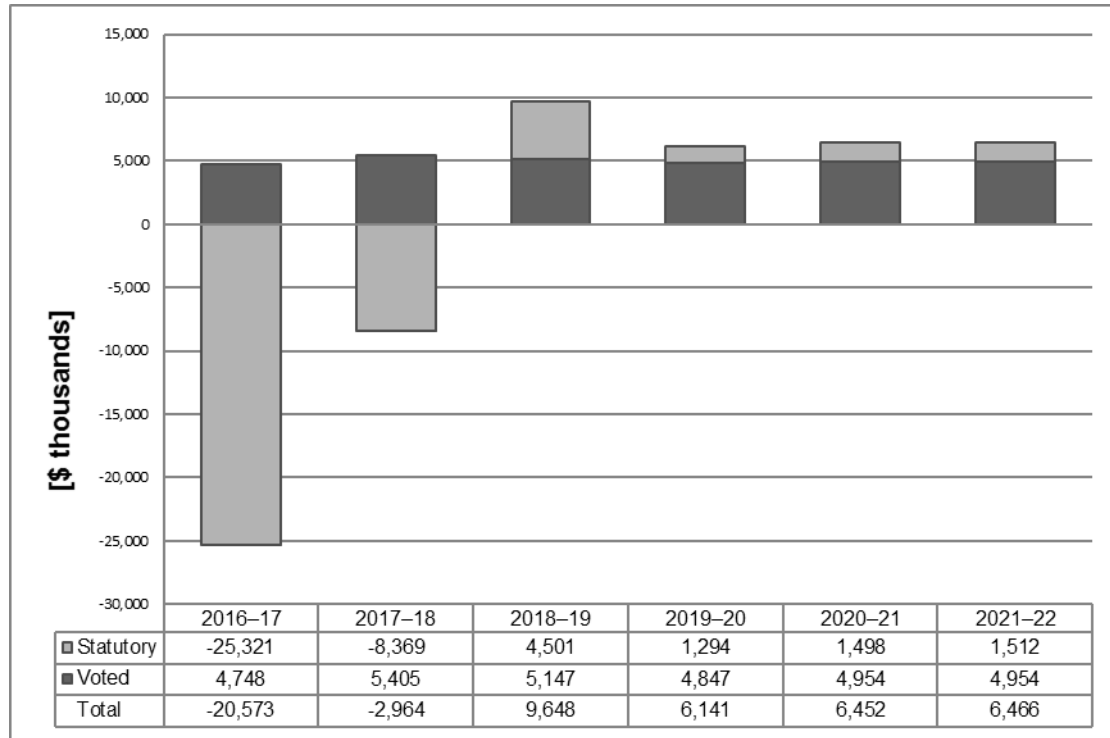
information for decision-making on Canadian Grain Commission programs and performance measurement. In 2019-20, internal audit plans to complete two internal audits and a variety of advisory services. The Canadian Grain Commission continues to develop the program evaluation function and plans to complete one evaluation and to assist with enhancing performance measurement during 2019-20.

As of March 31, 2018, approximately 26 percent of the Canadian Grain Commission workforce will be eligible to retire in five years or less. To prevent loss of institutional knowledge, the Canadian Grain Commission continues to identify key positions for external recruitment or succession planning. This includes identifying the competencies and learning requirements for these positions. Strengthening the alignment between key position requirements and personal learning plans will enhance the Canadian Grain Commission's ability to respond and adapt quickly and effectively in this context of change and staff turnover.

Spending and human resources

Planned spending

Departmental spending trend graph



Note: Statutory amounts contain employee benefits plan funding and are net of respendable revenues.

Budgetary planning summary for Core Responsibility and Internal Services (dollars)

Core Responsibility and Internal Services	2016–17 Expenditures ¹	2017–18 Expenditures ¹	2018–19 Forecast spending ²	2019–20 Main Estimates	2019–20 Planned spending ²	2020–21 Planned spending ²	2021–22 Planned spending ²
Grain Regulation*	(38,385,249)	(21,266,777)	(13,407,951)	5,896,489	5,896,489	6,206,796	6,221,465
Subtotal	(38,385,249)	(21,266,777)	(13,407,951)	5,896,489	5,896,489	6,206,796	6,206,796
Internal Services	17,812,262	18,303,234	23,055,740	245,000	245,000	245,000	245,000
Total	(20,572,987)	(2,963,543)	9,647,789	6,141,489	6,141,489	6,451,796	6,466,465

1. 2016-17 and 2017-18 expenditures are the total authorities used as provided in the Public Accounts.

2. Forecast and planned spending are net of responsible revenues.

Canadian Grain Commission revenues are dependent on annual grain volumes that can fluctuate considerably from year-to-year and are not fully known prior to the commencement of the fiscal year. This can result in significant variances between projected and actual revenues. The Canadian Grain Commission could accumulate surpluses in years with higher-than-average grain volumes⁸ and may be required to draw on its accumulated surplus funds in years with lower-than-average volumes.

The 2013-2018 fee and revenue projections were based on a funding model that used a historical average grain volume of 23.253 million metric tonnes to forecast revenue projections. However, the actual volume of grain inspected and weighed were underestimated due to an unprecedented increase in production. Since the implementation of that fee schedule on August 1, 2013, the Canadian Grain Commission inspected and weighed significantly higher than projected export grain volumes while operating costs remained relatively constant. For example, actual 2016-17 and 2017-18 grain volumes were 37.560 and 36.963 million metric tonnes, respectively, compared to projected grain volumes of 23.253 million metric tonnes. As a result, revolving fund surpluses of \$25.902 million in 2016-17 and \$8.888 in 2017-18 occurred, leading to a total accumulated surplus of \$130.677 million as of March 31, 2018.

In 2018-19, the Canadian Grain Commission implemented a new model for forecasting annual grain volumes and revenue projections that uses an updated time-series analysis model. Annual

⁸ Shown as unused authority carried forward in Public Accounts.

grain volumes of approximately 34.405 million metric tonnes are projected over the next 4 years. The Canadian Grain Commission anticipates that the updated model will mitigate the risk of significant accumulation of additional surplus in its revolving fund and better align fees with the cost of administering programs and providing services.

Following the [2017 User Fees Consultation and Pre-Proposal Notification](#)^{xi}, the Canadian Grain Commission reduced fees for official grain inspection and official grain weighing services by 24 percent as of August 1, 2017, which was 8 months ahead of the end of the 5-year review cycle. The early reduction and elimination of select fees were an effective step to mitigate the risk of further accumulation of surplus funds. In 2017-18, the fee reductions resulted in sector savings of \$10.8 million. The Canadian Grain Commission updated remaining fees for April 1, 2018 to better align revenues and costs, and to factor in projected increases in grain volumes inspected and weighed by the Canadian Grain Commission. The Canadian Grain Commission expects that these fee reductions will result in sector savings of approximately \$15.5 million annually.

On August 1, 2018, the Canadian Grain Commission announced plans to invest approximately \$130 million of the accumulated surplus funds in programs and services through a surplus investment framework. The Canadian Grain Commission plans to spend \$90 million on strategic investment in 2019-20 and beyond, with the remainder held as a contingency operating reserve. The key areas of investment are as follows:

- Strengthening safeguards for producers
- Investing in grain quality assurance
- Enhancing grain quality science and innovation

As part of the framework, the Canadian Grain Commission announced enhancements to the Harvest Sample Program (HSP) under the Strengthening safeguards for producers pillar. Starting in the 2018-19 crop year, the HSP provided deoxynivalenol (DON)⁹ and falling number¹⁰ results for wheat samples. Producers can use this quality information to help make marketing and delivery decisions. The Canadian Grain Commission will allocate approximately \$4 million to fund these additions to the HSP over five years.

The Canadian Grain Commission plans to conduct further stakeholder consultations to continue developing initiatives under the framework and to determine future surplus spending.

⁹ Also known as vomitoxin.

¹⁰ The falling number test evaluates the amount of alpha-amylase found in sprout damage in Canadian wheats, which impacts baking performance.

Fiscal year 2018-19 spending increased primarily due to the surplus investment framework designed to deliver clear benefits to producers and add value to the grain sector. This included HSP enhancements that began in the 2018-19 crop year.

2019–20 Budgetary planned gross spending summary (dollars)

Core Responsibility and Internal Services	2019–20 Planned gross spending	2019–20 Planned gross spending for specified purpose accounts [†]	2019–20 Planned revenues netted against expenditures	2019–20 Planned net spending [‡]
Grain Regulation	43,544,022	-	37,647,533	5,896,489
Subtotal	43,544,022	-	37,647,533	5,896,489
Internal Services	20,980,671	-	20,735,671	245,000
Total	64,524,693	-	58,383,204	6,141,489

The Canadian Grain Commission’s revenue projections for 2019-20 and beyond are based on the fees as set out in [Schedule I to the Canada Grain Regulations](#)^{xii}. This includes annual grain volume projections of 34.405 million metric tonnes. Beginning in 2019-20, all Canadian Grain Commission fees will adjust annually for inflation on April 1 to be consistent with the new Service Fees Act (SFA). The 2019-20 adjustment is based on the April All-Items Consumer Index for Canada of 2.2 percent. This annual increase limits the need for fee amendments going forward. Current fee amounts are located on the [Canadian Grain Commission website](#)^{xiii}.

Planned human resources

Human resources planning summary for Core Responsibility and Internal Services (full-time equivalents)

Core Responsibility and Internal Services	2016–17 Actual full-time equivalents	2017–18 Actual full-time equivalents	2018–19 Forecast full-time equivalents	2019–20 Planned full-time equivalents	2020–21 Planned full-time equivalents	2021–22 Planned full-time equivalents
Grain Regulation	316	326	330	330	330	330
Subtotal	316	326	330	330	330	330
Internal Services	110	117	120	120	120	120
Total	426	443	450	450	450	450

The [2017 User Fee Consultation and Pre-proposal Notification](#)^{xiv} was based on 420 planned full-time equivalents for 2018-19. The Canadian Grain Commission reorganized to add additional resources, within the current fee framework, to support investing in technology and equipment to support innovation, enhancing the GRL HSP and grain safety research, and addressing pay issues arising from the Phoenix pay system. Forecasted full-time equivalents for 2018-19 is 450.

Estimates by vote

Information on the Canadian Grain Commission's organizational appropriation is available in the [2019–20 Main Estimates](#)^{xv}.

Future-Oriented Condensed Statement of Operations

The Future-Oriented Condensed Statement of Operations provides a general overview of the Canadian Grain Commission's operations. The forecast of financial information on expenses and revenues is prepared on an accrual accounting basis to strengthen accountability and to improve transparency and financial management. The forecast and planned spending amounts presented in other sections of the Departmental Plan are prepared on an expenditure basis; as a result, amounts may differ.

A more detailed Future-Oriented Statement of Operations and associated notes, including a reconciliation of the net cost of operations to the requested authorities, are available on the [Canadian Grain Commission's website](#)^{xvi}.

Future-Oriented Condensed Statement of Operations for the year ending March 31, 2020 (dollars)

Financial information	2018–19 Forecast results	2019–20 Planned results	Difference (2019–20 Planned results minus 2018–19 Forecast results)
Total expenses	66,924,724	63,375,334	(3,549,400)
Total revenues	60,900,941	58,383,204	(2,517,737)
Net cost of operations before government funding and transfers	6,023,793	4,992,130	(1,031,663)

Note: The Canadian Grain Commission receives approximately \$5.5 million annually in appropriation for the public benefit of the Grain Research Program and Internal Audit that is not included in the revenue.

The 2019-20 net cost of operations before government funding is projected to be \$4.992 million, a net difference of \$1.032 million.

Total expenses

2019-20 total expenses are planned to be \$63.375 million, a decrease of \$3.549 million over the 2018-19 forecasted expenditures of \$66.935 million. This is primarily due to reduced operational costs related to leasehold improvements.

Total revenues

Based on the Canadian Grain Commission's annual grain forecasting model, 2019-20 total revenues are forecast to be \$58.383 million, a decrease of \$2.518 million over the 2018-19 forecasted revenues of \$60.901 million. This is primarily due to higher grain volumes handled in 2018-19 compared to the projected annual grain volume of 34.405 million metric tonnes for 2019-20.

Additional information

Corporate information

Organizational profile

Appropriate minister: The Honourable Marie-Claude Bibeau, P.C., M.P.

Institutional head: Patti Miller

Ministerial portfolio: Agriculture and Agri-Food

Enabling instrument: [Canada Grain Act](#)^{xvii}

Year of incorporation / commencement: 1912

Other: The Canadian Grain Commission’s head office is located in Winnipeg, Manitoba. The Canadian Grain Commission operates two regional offices and eight service centres, and provides service at more than 30 terminal elevator service delivery points across Canada. A combination of revolving fund (fees) and appropriation sources fund Canadian Grain Commission programs and services. The Canadian Grain Commission plans to recover approximately 92 percent of its costs through fees and approximately eight percent through appropriation.

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

“Raison d’être, mandate and role: who we are and what we do” is available on the [Canadian Grain Commission’s website](#)^{xviii}.

Reporting framework

The Canadian Grain Commission’s Departmental Results Framework and Program Inventory of record for 2019–20 are shown below.

Departmental Results Framework	Core Responsibility: Grain Regulation		Internal Services
	Departmental Result: Domestic and international markets regard Canadian grain as dependable and safe	Indicator: Percentage of stakeholders who regard Canadian grain as dependable and safe	
		Indicator: Value of Canadian grain exports	
	Departmental Result: Farmers are fairly compensated for their grain	Indicator: Percentage of sales where farmers are compensated for their grain	
Indicator: Percentage of outstanding liabilities paid to farmers in the event of a default by a CGC licensed grain company			
Program Inventory	Program: Grain Quality		
	Program: Grain Research		
	Program: Safeguards for Grain Farmers		

Supporting information on the Program Inventory

Supporting information on planned expenditures, human resources, and results related to the Canadian Grain Commission's Program Inventory is available in the [GC InfoBase^{xix}](#).

Supplementary information tables

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

- ▶ [Departmental Sustainable Development Strategy](#)
- ▶ [Gender-based analysis plus](#)

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](#)^{xxi}. This report also provides detailed background information on tax expenditures, including descriptions, objectives, historical information and references to related federal spending programs, as well as evaluations, research papers and gender-based analysis. The tax measures presented in this report are the responsibility of the Minister of Finance.

Organizational contact information

Canadian Grain Commission
600-303 Main Street
Winnipeg, Manitoba R3C 3G8

Telephone: 204-984-0506

Toll free: 1-800-853-6705

Facsimile: 204-983-2751

Teletypewriter (TTY, toll free): 1-866-317-4289

Email: contact@grainscanada.gc.ca

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)

A report on the plans and expected performance of an appropriated department over a three-year period. Departmental Plans are tabled in Parliament each spring.

Departmental Result (résultat ministériel)

Any change 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)

The department's Core Responsibilities, Departmental Results and Departmental Result Indicators.

Departmental Results Report (rapport sur les résultats ministériels)

A report 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.

experimentation (expérimentation)

Activities that seek to explore, test and compare the effects and impacts of policies, interventions and approaches, to inform evidence-based decision-making, by learning what works and what does not.

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.

gender-based analysis plus (GBA+) (analyse comparative entre les sexes plus [ACS+])

An analytical process used to help identify the potential impacts of policies, Programs and services on diverse groups of women, men and gender-diverse people. The “plus” acknowledges that GBA goes beyond sex and gender differences. We all have multiple identity factors that intersect to make us who we are; GBA+ considers many other identity factors, such as race, ethnicity, religion, age, and mental or physical disability.

government-wide priorities (priorités pangouvernementales)

For the purpose of the 2019–20 Departmental Plan, 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 initiative (initiative horizontale)

An initiative where two or more departments are given funding to pursue a shared outcome, often linked to a government priority.

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 Information Profile (profil de l'information sur le rendement)

The document that identifies the performance information for each Program from the Program Inventory.

performance reporting (production de rapports sur le rendement)

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

plan (plan)

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.

planned spending (dépenses prévues)

For Departmental Plans and Departmental Results Reports, planned spending refers to those amounts 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.

priority (priorité)

A plan or project 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 Departmental Results.

Program (Programme)

Individual or groups of services, activities or combinations thereof that are managed together within the department and focus on a specific set of outputs, outcomes or service levels.

Program Inventory (répertoire des Programmes)

Identifies all of the department's Programs and describes how resources are organized to contribute to the department's Core Responsibilities and Results.

result (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.

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. Canadian Grain Commission website, <http://grainscanada.gc.ca/>
- ii. Budget 2018, <https://www.budget.gc.ca/2018/docs/plan/chap-02-en.html#strongStronger-and-More-Collaborative-Federal-Science-strong>
- iii. Potential Use of Accumulated Surplus 2017, <https://grainscanada.gc.ca/consultations/2017/accumulated-surplus-en-17.htm>
- iv. Canadian Grain Commission surplus investment framework, <https://grainscanada.gc.ca/initiatives/investment/surplus-excedent-en.html>
- v. Canadian Grain Commission, <https://grainscanada.gc.ca/>
- vi. Canadian Grain Commission Departmental Performance Reports, <https://grainscanada.gc.ca/cgc-ccg/cr-rm/dpr-rmr/dpr-rmr-eng.htm>
- vii. Canadian Grain Commission Departmental Results Reports, <https://grainscanada.gc.ca/cgc-ccg/cr-rm/dpr-rmr/drr-en.html>
- viii. Federal Budget 2017, <https://www.budget.gc.ca/2017/docs/plan/chap-01-en.html#Toc477707373>
- ix. GC InfoBase, <https://www.tbs-sct.gc.ca/ems-sgd/edb-bdd/index-eng.html#start>
- x. Government of Canada Management Accountability Framework, <https://www.canada.ca/en/treasury-board-secretariat/services/management-accountability-framework.html>
- xi. User Fees Consultation and Pre-proposal Notification 2017, <https://grainscanada.gc.ca/consultations/2017/user-fees-17-en.htm>
- xii. Schedule 1 to the Canada Grain Regulations, https://laws-lois.justice.gc.ca/eng/regulations/C.R.C.,_c._889/page-7.html#h-58
- xiii. Canadian Grain Commission, <https://grainscanada.gc.ca/>
- xiv. User Fees Consultation and Pre-proposal Notification 2017, <https://grainscanada.gc.ca/consultations/2017/user-fees-17-en.htm>
- xv. 2018–19 Main Estimates, <https://www.canada.ca/en/treasury-board-secretariat/services/planned-government-spending/government-expenditure-plan-main-estimates.html>
- xvi. Canadian Grain Commission, <https://grainscanada.gc.ca/>
- xvii. Canada Grain Act, <http://laws-lois.justice.gc.ca/eng/acts/G-10/>
- xviii. Canadian Grain Commission, <https://grainscanada.gc.ca/>
- xix. GC InfoBase, <https://www.tbs-sct.gc.ca/ems-sgd/edb-bdd/index-eng.html#start>
- xx. Canadian Grain Commission, <https://grainscanada.gc.ca/>
- xxi. Report on Federal Tax Expenditures, <http://www.fin.gc.ca/purl/taxexp-eng.asp>