

# Canadian Grain Commission

2019–20

## **Departmental Results Report**

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

2019-20 Departmental Results Report

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Cat. No.: A91-8E-PDF (A91-8E-PDF)

ISSN: 2560-9955 (2560-9963)

This document is available on the Canadian Grain Commission website at:  
<http://www.grainscanada.gc.ca/>

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## Minister's message

It is my pleasure to present the Canadian Grain Commission's 2019-20 Departmental Results Report. Here, you will read about the Canadian Grain Commission's accomplishments and the results it has achieved while carrying out its responsibility to regulate grain handling and establish and maintain grain standards. This work ensures that Canada's grain is safe and dependable, and helps to continue growing our agriculture sector.



Canada's farmers are the backbone of our economy and rural communities, and our customers in Canada and around the world are hungry for the safe, high-quality products that we continue to deliver. I am dedicated to helping our farmers grow their businesses and support all participants across the value chain.

I want to recognize the Canadian Grain Commission's efforts in meeting the needs of Canada's modern grain sector in the 2019-20 fiscal year. Through a commitment to innovation and adaptability, the Canadian Grain Commission continued to deliver key front-line services that helped our grain products to reach new levels of exports, even during the onset of COVID-19 pandemic in mid-March 2020. It is critically important to me that Canada continues to be recognized as a global leader in the production of safe, high quality grain.

As Canada's Minister of Agriculture and Agri-Food, I am committed to working with the Canadian Grain Commission to ensure Canada's grain sector remains innovative, prosperous, and sustainable for many generations to come. Together, we'll continue to deliver the clear and tangible results that Canadians deserve.

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



## Acting Chief Commissioner's message

As Acting Chief Commissioner, I take great pride in the work done by the Canadian Grain Commission to benefit Canadian grain farmers, the grain sector, and all Canadians. I invite you to read our 2019-20 Departmental Results Report to learn more about how we delivered on a commitment to provide clear results under the *Canada Grain Act*.



Our Core Responsibility to regulate grain handling in Canada and to establish and maintain standards of quality for Canadian grain guides us in all that we do. Canada's Grain Quality Assurance System is not just world class, it is world leading. Internationally renowned for its dependability, customers in our export markets continue to count on Canadian grain to meet their evolving needs for quality and safety. In partnership with our stakeholders, we work hard to establish and maintain science-based quality standards, providing value to Canadian grain farmers and all Canadians.

In 2019-20, the Canadian Grain Commission dealt with the largest financial failure of a grain company in its history. As a result of our Safeguards for Grain Farmers Program, eligible farmers received over \$11,000,000, resulting in 100% compensation for unpaid deliveries.

The Canadian grain sector is as dynamic as ever and it demands a quality management that is responsive to change. With the unique challenges presented at the end of this fiscal period, I am proud of the work of the Canadian Grain Commission employees in quickly adapting to the new realities brought on by COVID-19, and continuing to work hard to meet our service standards and lead the organization into a stronger "new normal". We are committed to evolving with the sector and seizing new opportunities to innovate and reinvest in our programs and services going forward.

It is my pleasure to report that, once again, the Canadian Grain Commission has received an unqualified audit opinion on its annual financial statements, available on our website.

**Doug Chorney**

**Acting Chief Commissioner**

**Canadian Grain Commission**





## Results at a glance and operating context

### What funds were used?

- Total actual spending for 2019-20 was \$64,071,395
- Spending was funded by annual voted and statutory appropriation of \$5,656,879 and fees revenue of \$61,366,204

### Who was involved?

Total actual full-time equivalents for 2019-20 was 447

### Key results achieved in 2019-20:

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

The Canadian Grain Commission pursued a number of opportunities to innovate its programs, services, and regulatory framework to meet the evolving needs of the grain sector and support the Government’s innovation and growth agendas. During 2019-20, significant analysis was conducted to support the review of the *Canada Grain Act* led by Agriculture and Agri-Food Canada. In addition, the Canadian Grain Commission continued to make progress on various elements of its ongoing initiative to modernize the Canadian grain grading system. For example, stakeholders were consulted on the potential implementation of falling number and deoxynivalenol as official grain grading factors. The Canadian Grain Commission’s commitment to producer protection was also demonstrated in 2019-20 when eligible farmers received over \$11 million dollars, representing 100 percent compensation for unpaid deliveries for grains covered by the *Canada Grain Act*, when a grain company failed financially. This event prompted the Canadian Grain Commission to create an innovative solution for unpaid deliveries linked with grain stocks in store by negotiating an escrow account that was above and beyond the existing insurance policy held by the grain company. Moreover, the Canadian Grain Commission started an initiative to deliver a suite of e-services to support digitizing client service delivery across program areas including licensing, export documentation, and statistics. It will enable clients to access services anytime and anywhere, and to start and complete transactions in a fully electronic format. In March 2020, the Canadian Grain Commission adjusted how some of its programs and services were delivered so that mandated services could be safely provided during the COVID-19 pandemic. New approaches were adopted to ensure critical functions continued to be available to the sector.

- **Provided technical guidance to mitigate risks associated with market access for Canadian grain exports**

As part of its commitment to providing technical guidance to mitigate risks associated with market access for Canadian grain exports, the Canadian Grain Commission worked closely with other Canadian government departments and provided information and advice on grain trade regulation throughout the Canada-United States-Mexico Agreement (CUSMA) trade negotiations. Based on this collaborative work, Canadian negotiators were able to achieve an outcome that addressed American concerns while preserving the quality of Canada’s grain exports and the grain quality assurance system. In 2019-20, the Canadian Grain Commission also continued to work closely with other government departments and grain sector stakeholders to provide technical expertise, data analytics and information to help mitigate market access issues for Canadian grain exports. For example, in collaboration with Pulse Canada, the Canadian Grain Commission piloted a voluntary testing program that supported small-lot exporters of Canadian pulses in meeting regulatory and contractual requirements.

- **Implemented the Investment Framework to deliver clear benefits to farmers and add value to the grain sector**

In August 2018, after extensive consideration of stakeholder feedback and options, the Canadian Grain Commission announced an Investment Framework to deliver clear benefits to farmers and add value for the entire grain sector. This Framework allows for strategic re-investment to modernize the Canadian Grain Commission, so it remains a world class, science-based quality assurance organization. Specifically, the Investment Framework retains \$40 million for a contingency operating reserve to guard against the possibility of future declines in grain volumes, and allows for strategic investment of \$90 million to strengthen safeguards for farmers, invest in grain quality assurance, and enhance grain quality science and innovation. In 2019-20, as part of the Investment Framework, the Canadian Grain Commission invested in ongoing enhancements to the Harvest Sample Program, a voluntary testing program for small-lot pulse exports, and research on the application of food-grade mineral oil to grain as a dust suppressant.

For more information on the Canadian Grain Commission’s plans, priorities and results achieved, see the “Results: what we achieved” section of this report.

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## Results: what we achieved

### Core responsibility

#### Grain regulation

##### Description:

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

##### Results:

The Departmental Results of the Canadian Grain Commission's 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 delivery of programs and services is in accordance with the [Canada Grain Act](#)<sup>i</sup>. Key initiatives, activities, and actions the Canadian Grain Commission has taken to achieve results are as follows:

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

Federal [Budget 2019](#)<sup>ii</sup> confirmed the Government's commitment to review of the *Canada Grain Act* and the operations of the Canadian Grain Commission, in response to stakeholder input received through the [Regulatory Review and the Economic Strategy Roundtable](#)<sup>iii</sup>. This review provides an opportunity to modernize the Canadian Grain Commission regulatory framework to better address the evolving needs of farmers and the Canadian grain sector. In 2019-20, the Canadian Grain Commission did extensive analysis and work in support of the Agriculture and Agri-Food Canada-led review. These efforts focused on priority areas of interest, such as official inspection and weighing service delivery, elevator and grain dealer licensing and farmer payment protection. At the March 2020 Grains Roundtable, a preliminary stakeholder consultation and engagement plan was tabled for discussion and feedback. While the review work has been temporarily paused during the COVID-19 pandemic, moving forward, the Canadian Grain Commission and Agriculture and Agri-Food Canada will continue to work together to seek stakeholder input and develop potential options based on input received.

In 2019-20, the Canadian Grain Commission continued to make progress on its initiative to modernize the Canadian grain grading system. This initiative was launched in 2017 to ensure that grain grades are evaluated using effective, precise and user friendly tools, and that the grain grading system responds to the needs of Canada's grain sector, including farmers, processors, exporters and buyers of Canadian grain. As part of the review process, the Canadian Grain Commission has, and continues to assess, the following elements of the grading system:

- ▶ Decimal precision of grading factors
- ▶ Standard and guide samples

- ▶ Commercial cleanliness
- ▶ Guidance documents and work procedures
- ▶ Fusarium damage and end-use functionality
- ▶ Grading factors
- ▶ Official Grain Grading Guide

During 2019-20, several changes were completed to modernize grain grading elements. These include implementation of consistent decimal precision in all grading factors, and adjustments to the individual tolerances for small seeds and roughage in commercial cleanliness requirements for wheat. These refinements were supported by scientific research and made based on recommendations from the Eastern and Western Standards Committees which are comprised of grain farmers, handlers, processors, exporters, and scientists.

Further, as part of its grain grading modernization initiative, the Canadian Grain Commission initiated a 60-day consultation with stakeholders on the potential implementation of falling number and deoxynivalenol as official grain grading factors. This provided stakeholders an opportunity to have their say on what the impacts would be if these changes were made to the statutory grading system. While the accuracy of analytical tests such as those used to assess falling number and deoxynivalenol may be better than that of visual inspection for some quality factors, stakeholder feedback indicated that other considerations, such as impacts on efficiency at delivery, impacts on the overall efficiency of the grain handling system and who will be responsible for additional costs, need to be understood before further steps are taken. Based on the discussion feedback, it was clear that any broad-based changes must balance the desire to make the grain grading system more accurate and objective with the associated costs and implications for the sector. Moving forward, the Canadian Grain Commission will continue to consider potential ways to improve the grain grading system to meet the evolving needs of the sector.

In addition, the Canadian Grain Commission continued to demonstrate its commitment to strengthening safeguards for farmers by ensuring that Canadian farmers receive fair compensation and payment protection when they deliver grain to licensed grain companies. In 2019-20, the value of these efforts was demonstrated when the Canadian Grain Commission dealt with the largest financial failure of a grain company in its history. As a result of its Safeguards for Grain Farmers Program, eligible farmers received over \$11 million, resulting in 100 percent compensation for unpaid deliveries of grains covered by the *Canada Grain Act*. To support farmers with unpaid deliveries linked to the grain stocks in store (grains held in inventory on-site at licensed primary elevators) and to help ensure funds were available for compensation, the Canadian Grain Commission negotiated the creation of an escrow account with a value of approximately \$3 million. This innovative approach was above and beyond the payables insurance policy already held by the company.

In 2019-20, the Canadian Grain Commission also continued to assess and implement innovative technology in order to maintain its position as a world class grain science leader. To capitalize on valuable opportunities, the Canadian Grain Commission re-invested in technology, scientific equipment, and facilities to support its programs and activities. This included investing in

terminal elevator upgrades and leased spaces, and engaging with the Labs Canada to address the need for accommodation renewal of the Canadian Grain Commission's Grain Research Laboratory.

In 2018, the Canadian Grain Commission established a Project Management Office, which initiated work to deliver a suite of e-services to align with the Government of Canada digital service agenda. This initiative will support digitizing client service delivery across program areas including licensing, export documentation, and statistics. It will allow clients the ability to access services anytime and anywhere, and to start and complete transactions in a fully electronic format. A first step in this process is to develop a portal to provide online, secure access and data protection for Canadian Grain Commission's clients. During 2019-20, the Canadian Grain Commission continued to engage with other government departments and agencies who have already successfully developed and implemented similar strategies. A feasibility study was completed that included a review of information technology and identified ways to potentially leverage existing technology in other departments to create a portal for Canadian Grain Commission clients. The implementation of a Laboratory Information Management System (LIMS) is another digital service initiative that will allow much broader sharing of information and open cross-functional analysis, while providing a structured business flow for users. Through its Project Management Office, the Canadian Grain Commission has initiated a project to design and implement LIMS across its laboratory environment.

Due to the onset of COVID-19 pandemic in March 2020, the Canadian Grain Commission invoked its Business Continuity Plan. Departmental resources were focused on the critical services of inspection and licensing and new delivery approaches were adopted so that mandated services could be provided while ensuring the safety of the Canadian Grain Commission employees and the Canadian public.

### **Provided technical guidance to mitigate risks associated with market access for Canadian grain exports**

Canadian Grain Commission programs and activities ensure that shipments of Canadian grain consistently meet contract specifications for quality, quantity, and safety. As part of its commitment to providing technical guidance to mitigate market access risks associated with Canadian grain exports, the Canadian Grain Commission worked closely with other Canadian government departments to provide information and advice on grain throughout the CUSMA negotiations. To further inform Canada's negotiating position, Canadian trade officials gathered feedback through direct engagement with grain sector stakeholders across the country. Based on this collaborative work, Canadian negotiators were able to achieve an outcome that addressed American concerns while preserving the quality of Canada's grain exports and the grain quality assurance system. The *Act to implement CUSMA* was approved by the Canadian Parliament on March 13, 2020 and came into force on July 1, 2020. This legislation included amendments to the *Canada Grain Act* that support Canada's commitments under CUSMA. The Canadian Grain Commission is working closely with licensees and farmers to ensure awareness of their new obligations under the *Canada Grain Act*.

Furthermore, in 2019-20, the Canadian Grain Commission continued to integrate technical expertise, data analytics, and information to help mitigate market access issues for Canadian grain exports. The increased grain volume moving through Canadian ports, especially on the west coast, created an increased need for the Canadian Grain Commission documentation. In addition, the demand for government assessment of grain quality and variety traits, and safety issues like chemical residues and toxins has grown, often requiring government assurance to gain market access. The Canadian Grain Commission worked closely with Agriculture and Agri-Food Canada and the Canadian Food Inspection Agency to address these changing grain sector needs and facilitate continued market access for Canadian exporters. For example, in December 2019, in collaboration with Pulse Canada, the Canadian Grain Commission piloted a voluntary testing program that supported small-lot exporters of Canadian pulses in meeting regulatory and contractual requirements. Under this program, participants voluntarily submit samples of pulses to the Canadian Grain Commission for analysis. The analysis results allow exporters to undertake the necessary measures to ensure that all export shipments meet importing country requirements. Initial plans are for this program to be administered for a two-year period, with annual reviews to evaluate the agreed-upon performance indicators and outcomes.

### **Implementation of the Investment Framework to benefit farmers and add value to the grain sector**

In 2017, the Canadian Grain Commission published a consultation document on the [potential use of its accumulated surplus](#)<sup>iv</sup>. The document outlined several high-level proposals for the surplus and asked stakeholders to contribute ideas. The Canadian Grain Commission also surveyed farmers and the grain sector for their ideas on how to use the surplus. The majority of stakeholder feedback indicated that if the money could not be refunded to farmers, the Canadian Grain Commission's accumulated surplus should be directed toward activities that deliver clear benefits to farmers and add value to the sector into the future.

On August 1, 2018, after careful consideration and analysis of stakeholder input and options, the Canadian Grain Commission announced an Investment Framework to address the accumulated surplus. The Investment Framework retains \$40 million for a contingency operating reserve to guard against the possibility of future declines in grain volumes and thus reduced fee revenue, and allows for strategic investment of \$90 million in three key areas:

- Strengthening safeguards for farmers;
- Investing in grain quality assurance; and
- Enhancing grain quality science and innovation.

As part of the Investment Framework, in 2018-19, the Canadian Grain Commission allocated \$4 million to fund ongoing enhancements to the Harvest Sample Program (HSP) for five years. Each harvest season, the Canadian Grain Commission conducts the HSP, whereby farmers voluntarily submit samples of newly harvested cereals, oilseeds, and pulses. Farmers receive unofficial Canadian Grain Commission grade and quality results for each sample submitted, which they may use to help them market their grain. As of the 2018 crop year, the Canadian Grain Commission now provides deoxynivalenol and falling number results for wheat samples

and deoxynivalenol results for corn samples at no charge, adding to the information farmers can use to market their crops.

In addition to the HSP enhancements, during 2019-20, an investment was made in end-use functionality research on the impacts of the application of food-grade white mineral oil as a dust suppressant on grain. In recent years, Canadian licensed terminal elevators have been under pressure to control dust emissions during vessel loading due to concerns that grain dust is a nuisance and potentially an environmental pollutant. In response to this issue, the Canadian Grain Commission's Grain Research Laboratory completed [end-use functionality research<sup>v</sup>](#) on wheat, malting barley, general purpose barley, oats, peas, lentils, canola and food-type soybeans to determine the impact of mineral oil application. Based on this research, the Canadian Grain Commission made the decision to permit the broad-based application of food-grade white mineral oil to grains. Also, in 2019-20, an investment was made in a voluntary testing program. In collaboration with Pulse Canada, the Canadian Grain Commission is providing analysis of submitted pulse samples to facilitate small-lot exporters in meeting regulatory and contractual requirements of importing countries. Initial plans are for the program to be administered for a two-year period.

As noted in the Canadian Grain Commission's 2018-19 Departmental Results Report, because of Budget 2019's announcement of a *Canada Grain Act* review, the Canadian Grain Commission temporarily paused further consultations on the use of surplus funds. During 2019-20, the Canadian Grain Commission continued to consider investment initiatives within the broader context of the *Canada Grain Act* review.

## **Results:**

### **Gender-based analysis plus**

Results for the Canadian Grain Commission's Core Responsibility do not directly contribute to the government-wide priorities of gender quality, 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 supplementary information table details these initiatives.

### **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 falling number and deoxynivalenol in wheat during vessel loading resulting in the provision of real-time quantitative results to clients. During 2018-19, the Canadian Grain Commission evaluated the results of the pilot project. During 2019-20, insights and data generated throughout the pilot project were drawn upon to support analysis of various service

delivery options and models within the broader context of the *Canada Grain Act* review.

## Results achieved

Departmental results	Performance indicators	Target	Date to achieve target	2017–18 Actual results	2018–19 Actual results	2019–20 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 <sup>1</sup>	TBD <sup>2</sup>	Not available <sup>3</sup>	Not available	Not available
	Value of Canadian grain exports	\$30.6 billion <sup>4</sup>	April 2025 <sup>5</sup>	20.5 billion <sup>6</sup>	20.8 billion <sup>7</sup>	20.9 billion <sup>8</sup>
Farmers are fairly compensated for their grain	Percentage of sales where farmers are compensated for their grain	100%	April 2019	100%	100%	100%
	Percentage of outstanding liabilities paid to farmers in the event of a default by a Canadian Grain Commission-	100%	April 2019	No company defaults <sup>9</sup>	100%	100%

<sup>1</sup> A survey related to this indicator was planned during fiscal year 2019-20. Plans have been adjusted and survey is now planned during fiscal year 2020-21 as part of the *Canada Grain Act* review. A target will be established for the 2021-22 reporting period.

<sup>2</sup> A target is not yet specified and date to achieve target is not set.

<sup>3</sup> This is a new indicator. Actual results are not available.

<sup>4</sup> Aligns with Agriculture and Agri-Food Canada's \$75 billion agricultural export target by 2025 where agriculture, agri-food, and seafood exports 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 agricultural export target by 2025 as outlined in Budget 2017.

<sup>5</sup> Aligns with Agriculture and Agri-Food Canada's \$75 billion agricultural export target by 2025 as outlined in Budget 2017.

<sup>6</sup> Data from Statistics Canada.

<sup>7</sup> Data from Statistics Canada.

<sup>8</sup> Data from Statistics Canada.

<sup>9</sup> 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".



	licensed grain company					
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### Budgetary financial resources (dollars)

2019–20 Main Estimates	2019–20 Planned spending	2019–20 Total authorities available for use	2019–20 Actual spending (authorities used)	2019–20 Difference (Actual spending minus Planned spending)
5,896,489	5,896,489	6,047,645	(17,673,850)	(23,570,339)

Note: Planned spending is net of spendable revenues (i.e. does not include service fees, only amounts received through appropriation). The Canadian Grain Commission reports all revenues collected under its Grain Regulation core responsibility; however these revenues also support the costs of internal services. Details on the overall organization's expenditure distribution can be found in the 2019-20 Budgetary actual gross spending summary (dollars) table.

### Human resources (full-time equivalents)

2019–20 Planned full-time equivalents	2019–20 Actual full-time equivalents	2019–20 Difference (Actual full-time equivalents minus Planned full-time equivalents)
330	322	(8)

Financial, human resources and performance information for the Canadian Grain Commission's Program Inventory is available in [GC InfoBase<sup>vi</sup>](#).

## 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:

- ▶ Acquisition Management Services
- ▶ Communication Services
- ▶ Financial Management Services
- ▶ Human Resources Management Services
- ▶ Information Management Services

- ▶ Information Technology Services
- ▶ Legal Services
- ▶ Material Management Services
- ▶ Management and Oversight Services
- ▶ Real Property Management Services

### Budgetary financial resources (dollars)

2019–20 Main Estimates	2019–20 Planned spending	2019–20 Total authorities available for use	2019–20 Actual spending (authorities used)*	2019–20 Difference (Actual spending minus Planned spending)
245,000	245,000	245,000	20,379,041	20,134,041

Note: Planned spending is net of responsible revenues. The Canadian Grain Commission reports all revenues collected under its Grain Regulation core responsibility; however, these revenues also support the costs of internal services. Details on the overall organization's expenditure distribution can be found in the [2019-20 Budgetary actual gross spending summary \(dollars\) table](#).

### Human resources (full-time equivalents)

2019–20 Planned full-time equivalents	2019–20 Actual full-time equivalents	2019–20 Difference (Actual full-time equivalents minus Planned full-time equivalents)
120	125	5

Internal Services support the Canadian Grain Commission's Core Responsibility by enabling organizational program delivery. During 2019-20, in addition to supporting program delivery, a key focus was to provide support and services for the priorities and major initiatives identified in the "Results at a glance and operating context" section of this report. The Canadian Grain Commission also identified two over-arching priorities that are integral in guiding the Canadian Grain Commission's delivery of its mandate.

The first priority aligns with government-wide corporate commitments outlined by the Clerk of the Privy Council which includes building a diverse public service, promoting a healthy workplace, and supporting efforts to address the pay system. To make progress on this priority, during 2019-20, the Canadian Grain Commission concluded a five-year employment equity and diversity plan and achieved its goals for eliminating under representation of women (-9 to +9) and visible minorities (-9 to +6) in the organization. In addition, the Canadian Grain Commission developed new three-year diversity and official languages plans with new outcomes and activities to address emerging departmental and government-wide priorities. An employee-led working group was established to analyze various employee

surveys across years. The group identified several recommendations, which resulted in enhancements to workplace equipment, more effective communications from senior management to employees, and the implementation of a middle manager forum as a learning and support mechanism. Plans are being developed for further progressive implementation of these recommendations. These and other key initiatives supported Canadian Grain Commission staff to do their work efficiently and effectively ensured the department was able to deliver on its planned results and mandate. The Canadian Grain Commission continued to provide tools and events to support a healthy workplace including support for the mental wellness and resilience of employees. In addition, resources continue to be re-allocated to support the government's priority to address pay issues and stabilize the Phoenix pay system. A Pay Integration Unit was established to provide support to Canadian Grain Commission employees who have complex or untimely pay issues and to support the resolution of larger scale problems affecting employee pay.

The second priority is strengthening effective communication across both external and internal audiences. Strengthening internal communication is aimed at sharing information and progress on the areas of focus to engage staff and support delivery of each initiative. Strengthening external communications is aimed at raising awareness of the Canadian Grain Commission mandate, programs, and services to grain farmers and the grain sector. Examples of notable external communications carried out in 2019-20 include:

- “Know your rights” campaign for farmers (e.g. meetings with farmers called "Grade School" held 3 times per year across Saskatchewan, where the Canadian Grain Commission gives presentations on its role, the safeguards available to farmers, sample programs, dispute mechanisms, and others);
- Agricultural tradeshow program (e.g. the Canadian Grain Commission staff attended 16 tradeshow and had in-person discussions with more than 3000 people); and
- Tours and meetings for international groups (e.g. hosted 52 tours at the Canadian Grain Commission headquarters, including 20 international groups).

The Canadian Grain Commission has been at its current headquarters location at 303 Main Street in Winnipeg, Manitoba since 1972. These accommodations no longer adequately support grain research program delivery requirements. The existing facilities cannot support further increases in lab space or equipment without significant base building and tenant-related upgrades. During 2019-20, to address the need for Grain Research Laboratory accommodation renewal, the Canadian Grain Commission engaged with Public Service and Procurement Canada and the Laboratories Canada initiative to find options and potential collaboration opportunities with other science-based departments in Winnipeg. Additionally, the Canadian Grain Commission invested in terminal elevator upgrades and leased spaces to support innovative programs and services for the grain sector.

The implementation of the Canadian Grain Commission-Information Management and Technology Services (IMTS) Strategic Plan 2019-2022 was a top priority for the Canadian Grain Commission in 2018-2019. The goal of this plan is to provide innovative information technology management 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 innovation. During 2019-20, significant progress has been made in its implementation. The deployment of video conferencing and collaborative tools throughout the organization has allowed Canadian Grain Commission employees to continue to work effectively during the COVID-19 pandemic. “Cloud First” practices have been adopted with the successful replacement of the previous financial system and polling software with cloud-based versions. The complete replacement of Blackberry operating system based mobile devices with Android operating system based mobile devices has improved the end-user experience as well as increased overall mobile phone security. Other security enhancements, such as the deployment of a security and event management system, and an artificial intelligence-based threat detection system, have kept government data assets secure while allowing employees access to systems from alternative workplaces.

In addition, the Canadian Grain Commission has an integrated risk-based internal audit and program evaluation area that focuses on government-wide priorities and major corporate initiatives. The preliminary Internal Audit and Evaluation Unit plan included two internal audits and one evaluation. The 2019-2021 formal planning process was subsequently deferred until the timing, scope, impact on operational units, and required resource support for the *Canada Grain Act* review could be determined.

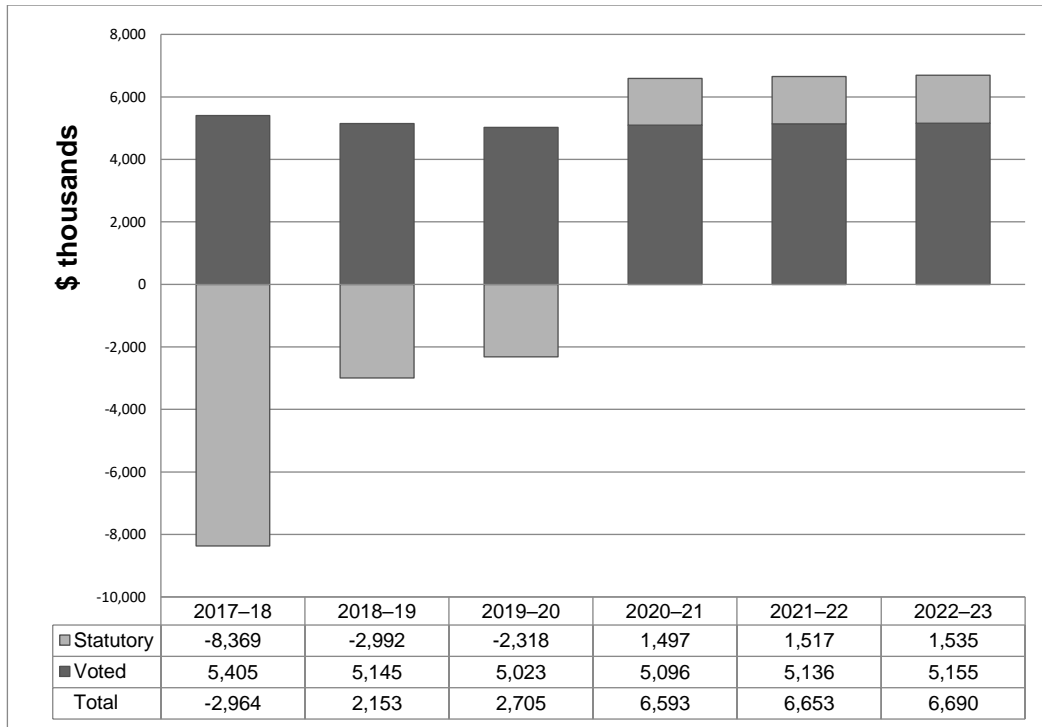
This year also saw a transition to a new audit team. The new audit team subsequently recommenced previously started audit work and provided advisory services. Also, resources from the Internal Audit and Evaluation Unit assisted with analytical work for the *Canada Grain Act* review during the second half of the reporting period.

## Analysis of trends in spending and human resources

### Actual expenditures

#### Departmental spending trend graph

The following graph presents planned (voted and statutory spending) over time.



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

## Budgetary performance summary for Core Responsibilities and Internal Services (dollars)

Core responsibilities and Internal Services	2019–20 Main Estimates	2019–20 Planned spending	2020–21 Planned spending	2021–22 Planned spending	2019–20 Total authorities available for use	2019–20 Actual spending (authorities used)	2018–19 Actual spending (authorities used)	2017–18 Actual spending (authorities used)
Grain Regulation	5,896,489	5,896,489	6,348,140	6,407,810	6,047,645	(17,673,850)	(17,564,268)	(21,266,777)
Subtotal	5,896,489	5,896,489	6,348,140	6,407,810	6,047,645	(17,673,850)	(17,564,268)	(21,266,777)
Internal Services	245,000	245,000	245,000	245,000	245,000	20,379,041	19,717,425	18,303,234
Total	6,141,489	6,141,489	6,593,140	6,652,810	6,292,645	2,705,191	2,153,157	(2,963,543)

Note: Planned spending is net of spendable revenues. The Canadian Grain Commission reports all revenues collected under its Grain Regulation core responsibility; however, these revenues also support the costs of internal services. Details on the overall organization's expenditure distribution can be found in the 2019-20 Budgetary actual gross spending summary (dollars) table below.

Planned spending has remained consistent from year to year, however slight increases in expenditures are primarily the result of projects related to the Investment Framework. As part of the Investment Framework, the Canadian Grain Commission allocated \$4 million to fund enhancements to the Harvest Sample Program for five years. In addition to these ongoing Harvest Sample Program enhancements, in 2019-20 the Canadian Grain Commission invested in a pulse testing program and research on white mineral oil as a grain dust suppressant. Going forward, the Canadian Grain Commission will consider investment initiatives within the broader context of the *Canada Grain Act* review.

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 has resulted in significant variances between projected and actual revenues in some years, with the Canadian Grain Commission accumulating surpluses in years with higher-than-average grain volumes.

From 2013 through 2018, Canadian Grain Commission fees were based on a funding model that used a historical average grain volume to forecast revenue projections. However, the actual volume of grain inspected and weighed was underestimated due to an unprecedented increase in production and relatively stable operating costs. This led to an accumulated revolving fund surplus of approximately \$130.677 million as of March 31, 2018. As a response, the Canadian Grain Commission implemented a new model for forecasting annual grain volumes and revenue projections that uses an updated time-series analysis model. The updated model mitigates the risk of significant accumulation of additional surplus and better aligns fees with the cost of service provision. As such, the Canadian Grain Commission

reduced fees for official inspection and official weighing services, effective August 1, 2017. Further fee updates came into effect April 1, 2018, to better align revenues and costs.

For planning, revenue forecasts are allocated to both Grain Regulations and Internal Services as required. Actual revenues are reported against Grain Regulations which causes significant variances between Grain Regulations and Internal Services.

### 2019–20 Budgetary actual gross spending summary (dollars)

Core responsibilities and Internal Services	2019–20 Actual gross spending	2019–20 Actual gross spending for specified purpose accounts	2019–20 Actual revenues netted against expenditures	2019–20 Actual net spending (authorities used)
Grain Regulation	43,670,943	-	61,344,792	(17,673,850)
Subtotal	43,670,943	-	61,344,792	(17,673,850)
Internal Services	20,400,452	-	21,411	20,379,040
Total	64,071,395	-	61,366,204	2,705,191

### Actual human resources

#### Human resources summary for core responsibilities and Internal Services

Core responsibilities and Internal Services	2017–18 Actual full-time equivalents	2018–19 Actual full-time equivalents	2019–20 Planned full-time equivalents	2019–20 Actual full-time equivalents	2020–21 Planned full-time equivalents	2021–22 Planned full-time equivalents
Grain Regulation	326	325	330	322	330	330
<b>Subtotal</b>	326	325	330	322	330	330
Internal Services	117	118	120	125	120	120
<b>Total</b>	443	443	450	447	450	450

Planned full-time equivalents for 2019-20 was 450, and the actual number was 447. The Canadian Grain Commission reorganized within the current fee framework to add additional resources to support investment in technology and equipment to support innovation, enhance the Harvest Sample Program and grain safety research, and address pay issues arising from the Phoenix pay system.

## Expenditures by vote

For information on the Canadian Grain Commission's organizational voted and statutory expenditures, consult the [Public Accounts of Canada 2019–2020](#).<sup>vii</sup>

## Government of Canada spending and activities

Information on the alignment of the Canadian Grain Commission's spending with the Government of Canada's spending and activities is available in [GC InfoBase](#).<sup>viii</sup>

## Financial statements and financial statements highlights

### Financial statements

The Canadian Grain Commission's financial statements (unaudited) for the year ended March 31, 2019, are available on the [Canadian Grain Commission's](#)<sup>ix</sup> departmental website.

### Financial statement highlights

#### Condensed Statement of Operations (unaudited) for the year ended March 31, 2020 (dollars)

Financial information	2019–20 Planned results	2019–20 Actual results	2018–19 Actual results	Difference (2019–20 Actual results minus 2019–20 Planned results)	Difference (2019–20 Actual results minus 2018–19 Actual results)
Total expenses	63,375,334	64,547,453	63,339,908	1,172,119	1,207,545
Total revenues	(58,383,204)	(61,930,513)	(62,225,792)	(3,547,309)	295,279
Net cost of operations before government funding and transfers	4,992,130	2,616,940	1,114,116	(2,375,190)	1,502,824

Note: [The Canadian Grain Commission](#)<sup>x</sup> 2019-20 unaudited Future-Oriented Statement of Operations are located on the departmental website.

### 2019-20 Actual to 2019-20 Planned

The net cost of operations before government funding and transfers for 2019-20 was \$2.617 million. This represents a decrease of \$2.375 million from the 2019-20 planned results of \$4.992 million. This is due to:



- a. Increased actual expenses of \$1.172 million primarily the result of an accrual for the potential settlement of expired collective agreements.
- b. Increased actual revenues of \$3.547 million due to stronger demands for Canadian Grain Commission inspection and weighing services. The Canadian Grain Commission inspected and weighed 38.649 million metric tonnes of grain over the 2019-20 fiscal year against its planned volume of 34.405 million metric tonnes.

### 2019-20 Actual to 2018-19 Actual

The net cost of operations before government funding and transfers for 2019-20 was \$2.617 million, an increase of \$1.503 million from 2018-19. This is primarily due to:

- a. Increased expenses of \$1.208 million primarily the result of an accrual for the potential settlement of expired collective agreements.
- b. Decreased revenues of \$0.295 million in 2019-20 over 2018-19 due to lower demand for Canadian Grain Commission inspection and weighing services. The Canadian Grain Commission inspected and weighed 38.649 million metric tonnes of grain over 2019-20, versus 39.545 million metric tonnes over 2018-19 for a difference of 0.896 million metric tonnes.

### Condensed Statement of Financial Position (unaudited) as of March 31, 2020 (dollars)

Financial information	2019–20	2018–19	Difference (2019–20 minus 2018–19)
Total net liabilities	12,040,803	10,394,646	1,646,158
Total net financial assets	6,830,661	6,036,516	794,145
Departmental net debt	5,210,143	4,358,130	852,013
Total non-financial assets	12,726,805	11,955,863	770,942
Departmental net financial position	7,516,663	7,597,733	(81,071)

The Canadian Grain Commission's net financial position in 2019-20 was \$7.517 million, a decrease of \$0.081 million from the 2018-19 net financial position of \$7.598 million. This is due to:

1. Increased total net liabilities of \$1.646 million primarily resulting from of an increase in salaries for the potential settlement of expired collective agreements.
2. Increased total financial assets of \$0.794 million resulting from an increase in Accounts Receivable due to a fee rate increase of 2.2% and a slight delay in payments due to the COVID-19 pandemic.

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3. Increased total non-financial assets of \$0.771 million due to strategic investments in equipment and supporting infrastructure for the Canadian Grain Commission Business Continuity Plan.

## Additional information

### Organizational profile

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

**Institutional head:** Doug Chorney, Acting Chief Commissioner

**Ministerial portfolio:** Agriculture and Agri-Food

**Enabling instrument:** [Canada Grain Act](#)<sup>xi</sup>, R.S.C. 1985, c. G-10

**Year of incorporation / commencement:** 1912

**Other:** The Canadian Grain Commission’s head office is in Winnipeg, Manitoba. The Canadian Grain Commission operates 2 regional offices and 8 service centres and provides service at more than 30 terminal elevator delivery points across Canada. A combination of revolving fund (fees) and appropriation sources fund Canadian Grain Commission programs and services. The Canadian Grain Commission aims to recover approximately 91 percent of its costs through fees and approximately 9 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](#)<sup>xii</sup> website.

For more information on the department’s organizational mandate letter commitments, see the [Minister’s mandate letter](#)<sup>xiii</sup>.

## Reporting framework

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

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

## Supporting information on the program inventory

Financial, human resources and performance information for the Canadian Grain Commission’s Program Inventory is available in [GC InfoBase](#).<sup>xiv</sup>

## Supplementary information tables

The following supplementary information tables are available on the Canadian Grain Commission’s website:

- ▶ [Departmental Sustainable Development Strategy](#)<sup>xv</sup>
- ▶ [Gender-based analysis plus](#)<sup>xvi</sup>

## 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](#).<sup>xvii</sup> 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

Canadian Grain Commission  
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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](mailto:contact@grainscanada.gc.ca)  
[Canadian Grain Commission's](#)<sup>xviii</sup> website.



## 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 3-year period. Departmental Plans are usually tabled in Parliament each spring.

### **departmental priority** (priorité)

A plan or project that a department 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.

### **departmental result** (résultat ministériel)

A consequence or outcome that a department seeks to achieve. 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 quantitative measure of progress on a departmental result.

### **departmental results framework** (cadre ministériel des résultats)

A framework that connects the department's core responsibilities to its departmental results and departmental result indicators.

### **Departmental Results Report** (rapport sur les résultats ministériels)

A report on a department's actual accomplishments against the plans, priorities and expected results set out in the corresponding Departmental Plan.

### **experimentation** (expérimentation)

The conducting of activities that seek to first explore, then test and compare the effects and impacts of policies and interventions in order to inform evidence-based decision-making, and improve outcomes for Canadians, by learning what works, for whom and in what circumstances. Experimentation is related to, but distinct from innovation (the trying of new

things), because it involves a rigorous comparison of results. For example, using a new website to communicate with Canadians can be an innovation; systematically testing the new website against existing outreach tools or an old website to see which one leads to more engagement, is experimentation.

**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. For a particular position, the full-time equivalent figure is the ratio of number of hours the person actually works divided by the standard number of hours set out in the person's collective agreement.

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

An analytical process used to assess how diverse groups of women, men, and gender-diverse people experience policies, programs and services based on multiple factors including race ethnicity, religion, age, and mental or physical disability.

**government-wide priorities** (priorités pangouvernementales)

For the purpose of the 2019–20 Departmental Results Report, those high-level themes outlining the government's agenda in the 2019 Speech from the Throne, namely: Fighting climate change; Strengthening the Middle Class; Walking the road of reconciliation; Keeping Canadians safe and healthy; and Positioning Canada for success in an uncertain world.

**horizontal initiative** (initiative horizontale)

An initiative where two or more federal organizations 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 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 to the expected result.

**planned spending** (dépenses prévues)

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

**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 the department's programs and describes how resources are organized to contribute to the department's core responsibilities and results.

**result** (résultat)

A 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.

**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.



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## Endnotes

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- <sup>i</sup> Canada Grain Act, <https://laws-lois.justice.gc.ca/eng/acts/G-10/index.html>
- <sup>ii</sup> Federal Budget 2019, <https://www.budget.gc.ca/2019/docs/plan/chap-02-en.html#strongStronger-and-More-Collaborative-Federal-Science-strong>
- <sup>iii</sup> Canada's Economic Strategy Tables: Agri-food, <https://www.ic.gc.ca/eic/site/098.nsf/eng/00022.html>
- <sup>iv</sup> Potential Use of Accumulated Surplus 2017, <https://grainscanada.gc.ca/en/about-us/consultations/2017/potential-use-accumulated-surplus.html>
- <sup>v</sup> Canadian Grain Commission, Scientific reports, <https://grainscanada.gc.ca/en/grain-research/scientific-reports/>
- <sup>vi</sup> GC InfoBase, <https://www.tbs-sct.gc.ca/ems-sgd/edb-bdd/index-eng.html#start>
- <sup>vii</sup> Public Accounts of Canada, <http://www.tpsgc-pwgsc.gc.ca/recgen/cpc-pac/index-eng.html>
- <sup>viii</sup> GC InfoBase, <https://www.tbs-sct.gc.ca/ems-sgd/edb-bdd/index-eng.html#start>
- <sup>ix</sup> Canadian Grain Commission, <https://grainscanada.gc.ca/>
- <sup>x</sup> Canadian Grain Commission, <https://grainscanada.gc.ca/>
- <sup>xi</sup> Canada Grain Act, <https://laws-lois.justice.gc.ca/eng/acts/G-10/index.html>
- <sup>xii</sup> Canadian Grain Commission, <https://grainscanada.gc.ca/>
- <sup>xiii</sup> Minister of Agriculture and Agri-Food Mandate Letter, <https://pm.gc.ca/en/mandate-letters/2019/12/13/minister-agriculture-and-agri-food-mandate-letter>
- <sup>xiv</sup> GC InfoBase, <https://www.tbs-sct.gc.ca/ems-sgd/edb-bdd/index-eng.html#start>
- <sup>xv</sup> Canadian Grain Commission Departmental Sustainable Development Strategy, <https://grainscanada.gc.ca/en/about-us/reports/planning-performance-reporting/departmental-results-report/2019-20/supplementary-20.html#suptab>
- <sup>xvi</sup> Canadian Grain Commission Gender-based analysis plus, <https://grainscanada.gc.ca/en/about-us/reports/planning-performance-reporting/departmental-results-report/2019-20/gender-based.html>
- <sup>xvii</sup> Report on Federal Tax Expenditures, <http://www.fin.gc.ca/purl/taxexp-eng.asp>
- <sup>xviii</sup> Canadian Grain Commission, <https://www.grainscanada.gc.ca/>