



Canadian Grain Commission
Commission canadienne
des grains

Canadian Grain Commission Report on Plans and Priorities 2010-2011

Minister of Agriculture and Agri-Food and
Minister for the Canadian Wheat Board

Canada



Canadian Grain Commission
Commission canadienne
des grains

Canadian Grain Commission Report on Plans and Priorities 2010-2011



Table of Contents

Minister's Message	1
Chief Commissioner's Message	3
Section I: Canadian Grain Commission Overview	5
Raison d'être.....	5
Responsibilities	5
Strategic Outcome.....	6
Program Activity Architecture.....	7
Planning Summary	8
Canadian Grain Commission Priorities	10
Risk Analysis	13
Expenditure Profile.....	15
Voted and Statutory Items Displayed in Main Estimates	16
Section II: Analysis of Program Activities	17
Strategic Outcome.....	17
Program Activity 1: Quality Assurance Program.....	18
<i>Program Activity Description</i>	18
<i>Planning Highlights</i>	19
<i>Benefits for Canadians</i>	20
Program Activity 2: Quantity Assurance Program	20
<i>Program Activity Description</i>	21
<i>Planning Highlights</i>	21
<i>Benefits for Canadians</i>	22
Program Activity 3: Grain Quality Research Program	22
<i>Program Activity Summary</i>	23
<i>Planning Highlights</i>	23
<i>Benefits for Canadians</i>	23
Program Activity 4: Producer Protection Program.....	24
<i>Program Activity Summary</i>	24
<i>Planning Highlights</i>	25
<i>Benefits for Canadians</i>	26
Program Activity 5: Internal Services	26
<i>Program Activity Description</i>	26
<i>Planning Highlights</i>	26
Section III: Supplementary Information.....	28
Supplementary Information Tables.....	28

Minister's Message

Welcome to the Canadian Grain Commission's (CGC) *Report on Plans and Priorities 2010-11*. This report details how the CGC intends to use its resources to carry out its responsibilities to protect grain producers' interests and to ensure a dependable commodity for Canada's international and domestic markets.



Since coming to office, this Government has worked hard with our partners in the provinces and territories and in industry on behalf of our nation's farmers. I use the word "partners" very consciously. Working side-by-side with the sector and other governments will always be the soundest approach to addressing current and emerging challenges while building on our strengths.

There is another solid partnership striving to advance the interests of our farmers. The seven organizations in my Agriculture and Agri-Food (AAF) Portfolio – Agriculture and Agri-Food Canada, Canadian Food Inspection Agency, Farm Credit Canada, Canadian Grain Commission, Canadian Dairy Commission, Farm Products Council of Canada and Canada Agricultural Review Tribunal – have their own particular mandates and pursue their own activities. At the same time, these organizations share certain responsibilities, serve many of the same clients and all have the same overarching mandate to support Canada's agriculture and agri-food industry. The Portfolio's employees perform their duties with the professionalism, dedication and energy our citizens expect and deserve.

As Minister, the partner organizations of the Agriculture and Agri-Food Portfolio are an ongoing source of pride for me. Their concerted efforts demonstrate the power of collaboration in shaping a profitable and innovative agriculture sector for our country, even in the face of worldwide economic difficulties. I will continue to depend on the Portfolio's hard work and expertise as together we realize the promise of the industry's future while benefiting Canada's economy and elevating the quality of life of all Canadians.

The Honourable Gerry Ritz
Minister of Agriculture and Agri-Food and
Minister for the Canadian Wheat Board

Chief Commissioner's Message

Welcome to the Canadian Grain Commission's (CGC) Report on Plans and Priorities for the fiscal year 2010-2011. Since 1912 the CGC has been the federal agency responsible for setting standards of quality and regulating Canada's grain handling system. Through its activities, the CGC supports a competitive, efficient grain sector and upholds Canada's international reputation for consistent and reliable grain quality. In addition, CGC producer protection activities ensure producer rights are supported to facilitate fair treatment within the licensed grain handling system. This report sets out the CGC's spending plans, priorities and expected results for the fiscal year 2010-2011 for delivering excellence and innovation in grain quality and quantity assurance, research, and producer protection.



As Chief Commissioner I look forward to the CGC's ongoing exemplary work to effectively meet the needs of producers, the industry and all Canadians in general. This report outlines how the CGC will continue to deliver the CGC's mandate under the *Canada Grain Act* in a time of evolving international and domestic markets, technological advances and end user requirements. In today's climate there is increased market demand for grain safety and increased sophistication of grain safety specifications. As a result, the CGC will continue efforts to not only meet today's grain safety requirements but also continue to evaluate, define and evolve the CGC's roles in testing, monitoring and assuring the safety of Canada's grain.

This report also commits the CGC to efforts that ensure Canada's Grain Quality Assurance System builds upon its reputation as the best in the world. The CGC plans to achieve this by working collaboratively with producers, industry stakeholders and government partners on the development of new technologies, protocols and a sound regulatory framework.

I invite you to read this report to learn more about the CGC's priorities, initiatives and plans for the fiscal year 2010-2011 that will ensure that Canada's grain is safe, reliable and marketable and that Canadian grain producers are protected.

Elwin Hermanson
Chief Commissioner
Canadian Grain Commission

Section I: Canadian Grain Commission Overview

Raison d'être

The CGC is a federal government agency and administers the provisions of the *Canada Grain Act* (CGA). The CGC's **mandate** as set out in the CGA is to, "in the interests of the grain producers, establish and maintain standards of quality for Canadian grain and regulate grain handling in Canada, to ensure a dependable commodity for domestic and export markets." The CGC **vision** is to be "A leader in delivering excellence and innovation in grain quality and quantity assurance, research, and producer protection." The CGC reports to Parliament through the Honourable Gerry Ritz, **Minister of Agriculture and Agri-Food**.

Responsibilities

Under the *Canada Grain Act*, the CGC regulates the handling of 21 grains¹ grown in Canada to ensure Canada's grain is safe, reliable and marketable, and Canadian grain producers are protected. Canada's grain **quality assurance** system (GQAS), administered by the CGC, assures consistent and reliable grain quality and grain safety that meets the needs of international and domestic markets. An effective GQAS is a key factor in permitting Canadian exporters to market successfully in competitive international grain markets and is essential for producers in order to realize maximum value from their grain. The Canadian grain **quantity assurance** system assures the weight of grain loaded into or discharged from conveyances. In addition, the quantity assurance program assures the weight of grain in store at licensed terminal and transfer elevators. The CGC conducts **grain related research** in support of the GQAS to address emerging issues and permit the effective marketing of Canadian grain in the interests of producers and the Canadian grain industry. In addition, the CGC is mandated to serve producer interests by upholding the *Canada Grain Act* and as such has implemented a number of programs and safeguards to ensure the fair treatment of Canadian **grain producers** when they deliver their grain to licensed grain handling companies and grain dealers.

The CGC's head office is located in Winnipeg, Manitoba. As of September 30, 2009, the CGC employed 647 full-time equivalents and operated 12 additional offices across Canada. Funding for CGC programs and activities is through a combination of revolving fund and appropriation sources. Additional information on the CGC's mandate and responsibilities is available on the CGC website at <http://grainscanada.gc.ca/>.

¹ Grain refers to any seed designated by regulation as a grain for the purposes of the *Canada Grain Act*. This includes barley, beans, buckwheat, canola, chick peas, corn, fababeans, flaxseed, lentils, mixed grain, mustard seed, oats, peas, rapeseed, rye, safflower seed, solin, soybeans, sunflower seed, triticale and wheat.

Strategic Outcome

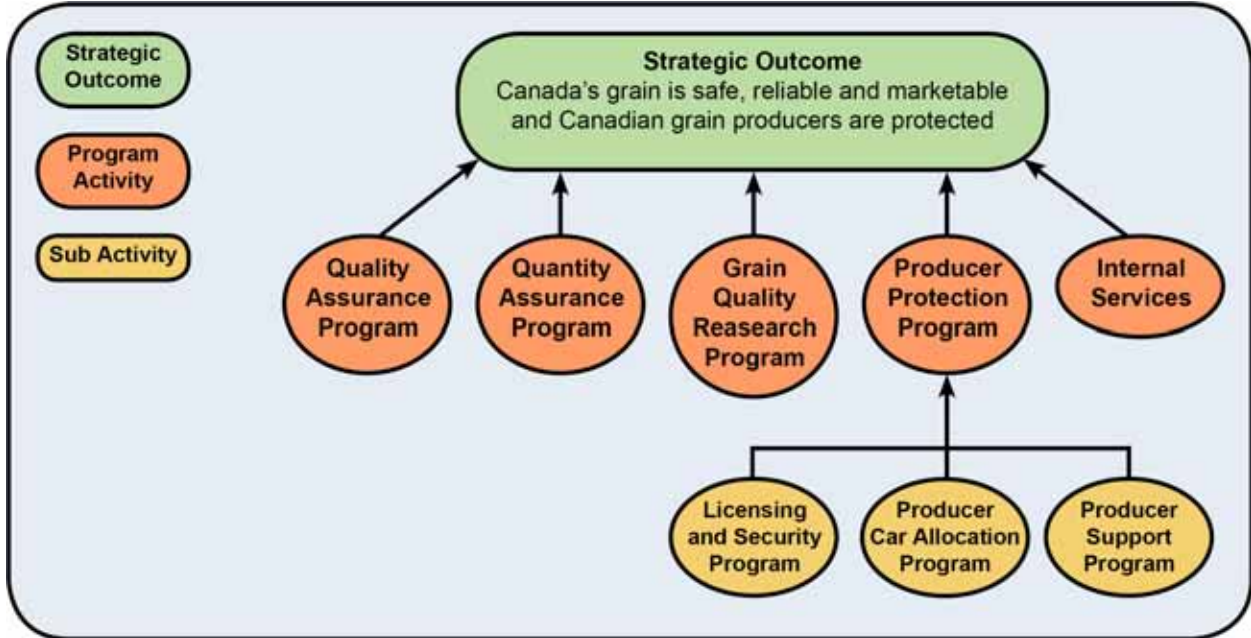
To effectively pursue its mandate and make a difference to Canadians, the CGC aims to achieve the following strategic outcome:

Canada's grain is safe, reliable and marketable and Canadian grain producers are protected

The CGC is integral to the functioning of Canada's grain industry and assures consistent and reliable grain quality and grain safety to meet the needs of international and domestic markets. This is particularly important considering Canada exported approximately \$14.81 billion in cereals, grains and oilseeds during 2008. The CGC's GQAS is essential for producers to realize maximum value from their grain and the CGC is committed to providing effective producer protection services and safeguards to ensure the fair treatment of Canadian grain producers when they deliver their grain into the licensed grain handling system. CGC operations directly support Canada's efforts to brand Canadian agriculture as a leader in food safety and quality, science and innovation, and business risk management. In our role as a neutral third party regulator and arbiter, the CGC works in collaboration with virtually every participant in the grain industry.

Program Activity Architecture

The following diagram illustrates the CGC's Program Activity Architecture (PAA). The PAA is the basic structure for the management and allocation of resources to various programs and activities to achieve intended results. The CGC's PAA has five program activities. Each program activity contributes to making progress to the CGC's single strategic outcome. The producer protection program consists of three program sub-activities.



Planning Summary

The following tables provide a summary of the CGC's planned spending and human resources for the next three fiscal years. Planned spending includes the annual appropriation of \$5.5 million and projected revenue earned through fees of approximately \$37.1 million. The planned spending and planned FTE's shown below are reflective of approved authorities to date only and not reflective of total resource needs. The CGC is currently assessing options to ensure appropriate funding is available to maintain program delivery. For fiscal year 2009-2010, the CGC secured a total of \$42.4 million in additional support to maintain programming. There are no significant planned program changes for the upcoming years.

Financial Resources (\$ thousands)

2010-2011*	2011-2012	2012-2013
42 577	42 589	42 589

Human Resources (Full Time Equivalents (FTEs))

2010-2011	2011-2012	2012-2013
357	357	357

* Planned spending differs from Main Estimates 2010-2011 with respect to non-appropriation funding because planned spending includes projected revenue earned through fees of approximately \$37.1 million while Main Estimates reflects the authority limit of responsible revenue for 2010-2011 of \$42.5 million.

Strategic Outcome:	
Canada's grain is safe, reliable and marketable and Canadian grain producers are protected.	
Performance Indicators	Targets
Number of instances where buyers are dissatisfied with CGC standards, methods or procedures used to ensure a dependable commodity for domestic and export markets	Zero instances
Level of producer satisfaction with CGC producer protection services	Zero unresolved or unaddressed complaints

The following table presents planned spending by program activity and identifies the alignment of CGC program activities to the Government of Canada Outcomes.

Program Activity ¹	Forecast Spending (\$ thousands) 2009-10	Planned Spending ⁴ (\$ thousands)			Alignment to Government of Canada Outcomes ²
		2010-11	2011-12	2012-13	
Quality Assurance Program	39 821	21 176	21 176	21 176	Innovative and knowledge-based economy ³
Quantity Assurance Program	12 045	8 479	8 479	8 479	Innovative and knowledge-based economy ³
Grain Quality Research Program	9 655	3 564	3 572	3 572	Innovative and knowledge-based economy ³
Producer Protection Program	4 154	903	904	904	Fair and secure marketplace ³
Internal Services	13 115	8 455	8 458	8 458	N/A
Total Planned Spending	78 790	42 577	42 589	42 589	

¹ Program activity descriptions are available on the Treasury Board Secretariat Main Estimate website at: <http://www.tbs-sct.gc.ca/est-pre/20102011/p2-eng.asp>.

² Additional information on the Government of Canada Outcomes is available at: <http://publiservice.tbs-sct.gc.ca/ppg-cpr/frame-cadre-eng.aspx>.

³ Further information on the CGC's alignment to the Government of Canada Outcomes is available at: <http://www.grainscanada.gc.ca/cgc-ccg/cr-rm/goco-rohoc-eng.htm>.

⁴ Planned spending for 2010-2011 and future years only includes the annual appropriation of \$5.5 million and projected revenues earned through fees of approximately \$37.1 million. The CGC received a total of \$42.4 million in additional support in 2009-2010 to maintain programming. There are no significant planned program changes for the upcoming years.

Canadian Grain Commission Priorities

The CGC has identified the following operational and management priorities that will be the focus of attention and resources during the reporting period. These priorities and their associated strategic initiatives are aimed at strengthening the GQAS, mitigating program risks (as identified in the following section), and continuing to successfully deliver upon the CGC's sole strategic outcome of ensuring Canada's grain is safe, reliable and marketable and Canadian grain producers are protected. The CGC's level of performance in relation to these priorities will be assessed using the performance rating system provided by Treasury Board (exceeded, met all, mostly met, somewhat met or did not meet expectations). Further information on the priorities and their contributions to the program activities is available in Section II of this report.

Strategic Outcome Canada's grain is safe, reliable and marketable and Canadian grain producers are protected.		
Operational Priorities	Type¹	Description
1. Deliver services as mandated by the <i>Canada Grain Act</i> in a climate of constantly changing international and domestic markets, technological advancements and evolving end-user needs and preferences	Ongoing	<p>Why is this a priority? This is a priority because it includes the majority of CGC resources and encompasses the day-to-day delivery of the CGC's programs and services necessary to deliver the CGC's mandate. Plans are aimed at continuously improving program and service delivery models and integrating new technologies and protocols into daily program/service delivery to ensure the continued successful and efficient delivery of the CGC's mandate.</p> <p>Strategic initiatives for meeting this priority:</p> <ul style="list-style-type: none"> • Continue the consistent daily delivery of programs and services in support of the CGC's mandate • Assure appropriate communication protocols for eligibility status of varieties and assure the statistical soundness and adequate resourcing of varietal identification (VID) monitoring programs • Continue to evolve service delivery models for grain quality assurance including the needs-based evolution and integration of process verification into the GQAS • Continue efforts to ensure the CGC's workforce evolves to meet future service requirements
2. Position the GQAS to remain relevant and support the continued competitiveness of Canadian grains in both domestic and	Ongoing	<p>Why is this a priority? Adjustments to the GQAS to remain relevant will help ensure that Canadian grain remains competitive abroad as well as at home and that producers' interests are protected. This priority is aimed at developing programs, initiatives, and new research methods and processes to maintaining and strengthening the Canadian GQAS to ensure a safe,</p>

international markets		<p>dependable commodity. This includes the development of new technologies, protocols, and a sound regulatory framework so that the GQAS continues to evolve to address emergent and future needs.</p> <p>Strategic initiatives for meeting this priority:</p> <ul style="list-style-type: none"> • Evaluate the implications of plant biotechnology, including Low Level Presence (LLP) (includes Adventitious Presence), Genetically Modified Organisms (GMOs), and Plant Molecular Farming (PMF) for Canada's GQAS and clarify the CGC's role within industry and among other government departments as a foundation for developing technology and evolving certification services in accordance with that role • Facilitate, communicate and consult with producers, industry, and government to define roles and responsibilities to address legislative, regulatory and policy changes as well as technical trade barriers • Review and evaluate GQAS and regulatory requirements for exports by destination and conveyance to ensure consistency
3. Grain safety assurance	New	<p>Why is this a priority? This is a priority due to increased market demand for grain safety and increased sophistication of grain safety specifications by buyers and food inspection authorities. This priority includes monitoring for and assurance of grain safety and working in collaboration with AAF Portfolio partners and other federal government departments and agencies in defining roles.</p> <p>Strategic initiatives for meeting this priority:</p> <ul style="list-style-type: none"> • Evaluate current requirements for grain safety monitoring and assurance and ensure adequate allocation of human and financial resources to meet service demands • Evaluate and define the CGC's domestic and export role in monitoring and assuring grain safety and evolve CGC monitoring, certification and testing services to support these roles
Management Priorities	Type¹	Description
1. Effective people management	Previously committed to	<p>Why is this a priority? Effective people management will ensure the CGC continues to have motivated and engaged people with the right skills, in the right place, at the right time. This involves all elements of the CGC's People Management Framework (PMF) that sets out the strategies for meeting the CGC's current and future people needs and for meeting Public Service Renewal objectives established by the Privy Council Office.</p> <p>CGC strategic initiatives for meeting this priority:</p> <ul style="list-style-type: none"> • Continue efforts towards effective integrated people

		<p>planning, the Performance Development and Achievement Program (PDAP), Personal Learning Plans (PLPs), and competency development. This includes increased focus on public service renewal, recruitment, succession planning, Informal Conflict Management System (ICMS), employment equity, diversity and leadership development as well as employee wellness and communication to create and sustain a healthy work environment during a period of uncertainty and change.</p>
<p>2. Management Accountability</p>	<p>Previously committed to</p>	<p>Why is this a priority? This priority will ensure sound integrated and accountable management of the CGC.</p> <p>Strategic initiatives for meeting this priority:</p> <ul style="list-style-type: none"> • Develop an approach to establish a stable, long-term funding strategy for the CGC, eliminating dependence on annual ad hoc funding (identified in 2009-10 as a stand alone priority). In addition, the CGC will establish a funding arrangement for human resource services provided through AAF • Identify and address a manageable number of priority areas for improvement in advance of the next Management Accountability Framework (MAF) audit expected in the fall of 2010 • Implement Internal Audit and Evaluation Functions including establishment of a Departmental Audit Committee • Finalize business continuity and pandemic plans and conduct exercises to verify effectiveness

¹ **Type** is defined as follows: **previously committed to**—committed to in the first or second fiscal year prior to the subject year of the report; **ongoing**—committed to at least three fiscal years prior to the subject year of the report; and **new**—newly committed to in the subject year of the report.

Risk Analysis

The Canadian grain industry, the CGC, and the GQAS operate in a climate of constant change. The CGC and the GQAS must be able to adjust in a measured and careful fashion to these changes in order to maintain Canada's reputation as a consistent supplier of quality grain. The CGC is continually adapting programs and services to assure consistent and reliable grain quality and grain safety that meets the needs of international and domestic markets and to ensure Canadian grain producers are protected.

Risk management is an essential part of the strategic planning and decision making processes at the CGC. While the majority of risk involved in the CGC's work is inherent and constant, some risk varies according to changes in the internal and external environment. The inherent risks in CGC programs and services are addressed by continuous monitoring and adjustment in order to bring residual risk to tolerable levels, thereby maintaining high performance standards. Feedback from producers and grain handlers, domestic and international grain buyers and processors, and other government organizations is a reliable early indicator of risk arising from developments in the external environment.

Each year, an extensive environmental scan is prepared to identify emerging threats and/or opportunities for improvement. Activities to mitigate the threats and address the opportunities are identified and prioritized, and in the ensuing months are integrated into operational, research, management and support work. At the end of the yearly cycle, CGC's success in managing risk can be gauged by the consistency of high performance in its services and program activities.

During 2010-11, the CGC will continue the process of developing and articulating its integrated risk management policy and corporate risk profile. The CGC has established an internal Integrated Risk Management Working Group that has been tasked with identifying and assessing high level risks, creating a broad and detailed picture of the risks facing the CGC, and ensuring that sufficient risk mitigation techniques are in place.

The following table shows key CGC program risks, and provides examples of the strategies used to mitigate and/or take advantage of those risks.

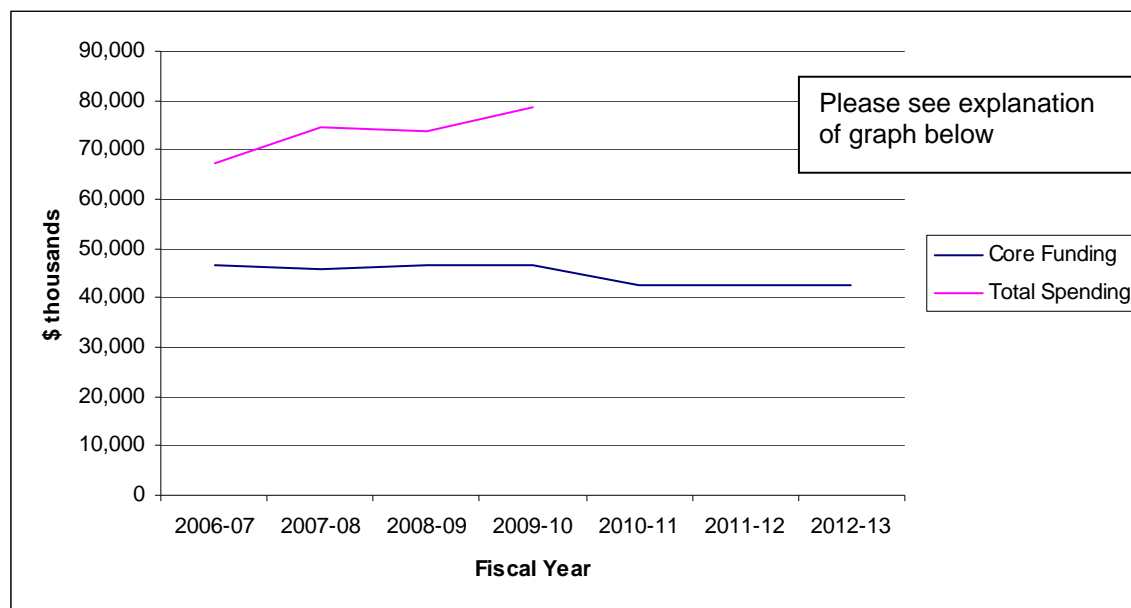
Key Program Risk	Link to Program Activities	Examples of Risk Mitigation Strategies
Canada's GQAS may not align with or may be unable to respond to the requirements of domestic and international grain markets to ensure consistent and reliable grain quality, quantity and safety assurance	Successful mitigation of this risk allows the CGC to achieve the expected results associated with the Quality Assurance Program and the Quantity Assurance Program	<ul style="list-style-type: none"> • The CGC continues to adhere to ISO Quality Management System (QMS) procedures. This includes regular review of quality and quantity assurance standards and performance and permits the CGC to adjust the provision of service accordingly • A broad spectrum of producers and grain industry representatives will continue to meet, through the Western and Eastern Grain Standards Committees and commodity-specific subcommittees, to review and confirm grain standards, ensuring that the views of producers, marketers, buyers and processors are considered before changes are made to the Canadian grading system • The CGC will continue to facilitate consultation and

Key Program Risk	Link to Program Activities	Examples of Risk Mitigation Strategies
		consider feedback on the GQAS directly from producers, grain handlers, domestic and overseas buyers and processors. Maintaining open avenues of communication for timely feedback strengthens the existing GQAS and ensures continued relevance
The CGC's science and technology capacity may be unable to continue its ability to assure domestic and international markets of the consistency and high quality of Canadian Grain	Successful mitigation of this risk allows the CGC to achieve the expected results associated with the Quality Assurance Program and the Grain Quality Research Program	<ul style="list-style-type: none"> • The CGC uses feedback received by CGC personnel from overseas and/or domestic buyers, processors, producers, grain handlers, and the Western and Eastern Grain Standards Committees to identify research priorities and to strengthen the existing GQAS • To ensure that the CGC's science and technology capacity remains abreast of new developments, the Grain Research Laboratory (GRL) will remain actively engaged in and contributing to Canadian and international scientific, academic, analytical, and grain industry organizations
CGC producer protection programs may be unable to ensure that producers are compensated fairly for the quality and quantity of grain delivered and shipped	Successful mitigation of this risk allows the CGC to achieve the expected results associated with the Producer Protection Program	<ul style="list-style-type: none"> • The CGC will continue to investigate all producer concerns/complaints and to consult with and evaluate feedback from producers on protection programs • The CGC's licensing program continues to use a risk-based audit plan to determine audit priorities, monitor licensee's security levels to protect producer's interests, and take other courses of action to ensure protection of producers through licensee requirements • The CGC will continue efforts to modernize regulation and reduce mandatory costs to the grain sector, including producers, to ensure that the CGC's legislation, programs and services continue to meet the evolving needs of Canadian producers and the grain industry in a cost effective and efficient manner
The CGC's workforce and work environment may not align with the current and/or future needs of the CGC	Successful mitigation of this risk allows the CGC to achieve the expected results associated with all program activities	<ul style="list-style-type: none"> • Risk assessment and risk management is incorporated throughout the CGC's integrated people and business planning process, which focuses on ensuring that the CGC's workforce and work environments align with the current and future needs of the CGC. By following through on its People Plan, the CGC will continue to progress in its recruitment, retention and development of human resources

Expenditure Profile

The figure below illustrates the CGC's funding level trend for the 2006-2007 to 2012-2013 period. The two trends represented on the graph are core funding and total spending.

Total Spending against Core Funding Level Trend 2006-07 to 2012-13



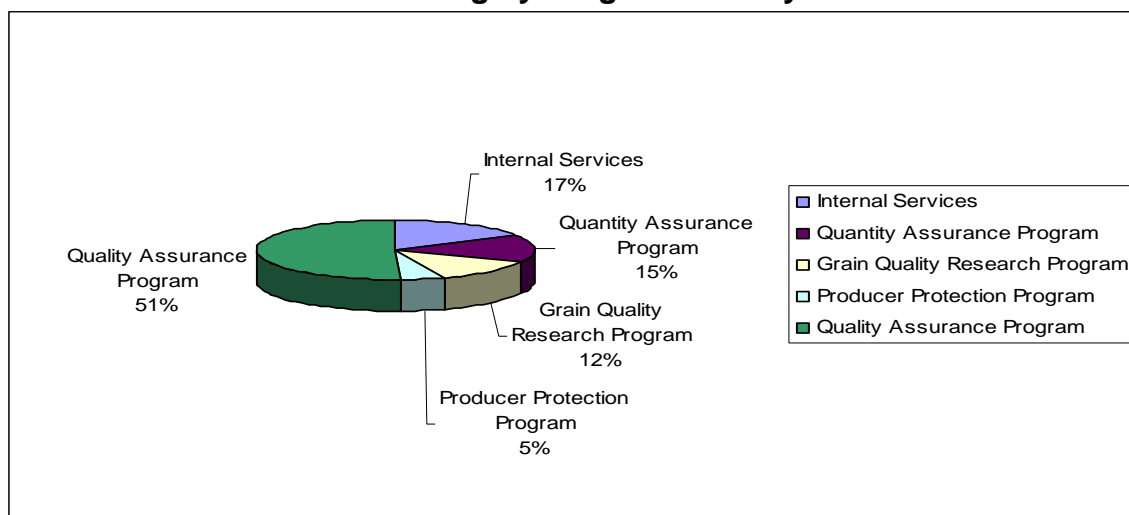
For the 2006-2007 to 2009-2010 period, the total spending is reflective of all funding sources available to the CGC including appropriations realized through the full Estimates process and fees generated through the provision of services. The gap between total spending and core funding shows the CGC's reliance on funding through yearly ad hoc appropriations. Total spending from 2010-2011 to 2012-2013 does not appear on the graph due to the expiration of ad hoc funding. For the 2010-2011 to 2012-2013 periods, the graph reflects the CGC's approved authorities to date only (core funding). In the past, the CGC has received additional appropriation revenue to meet operational requirements on an ad hoc basis. For example, in 2009-2010 the CGC secured \$42.4 million in additional support to maintain programming. The CGC is currently assessing options to ensure appropriate funding is available to meet operational and staffing requirements. Going forward there are no significant planned program changes.

The core funding of \$42.6 million partially consists of \$5.5 million in annual appropriation which is used to fund a portion of the costs related to the GRL and the functions that were associated with the Assistant Commissioner positions. The remainder of the organization's grain quality, grain quantity and producer protection programming is intended to be cost recovered via fee revenues collected primarily from inspection and weighing services. These revenues are dependent on annual grain volumes which can fluctuate up to 20% from year-to-year, resulting in variable funding from fee revenue. For fiscal year 2010-2011, the CGC forecasts fee revenues of \$37.1 million generated from handling expected grain volumes of 50 million tonnes of grain. However, the CGC has fixed costs related to its statutory mandate which cannot be eliminated or reduced as revenues decline. In order to meet the evolving grain industry needs

and increasing operating costs, the CGC maintains an ongoing process of cost containment and reallocates internal resources to meet new and emerging priorities.

The figure below illustrates the allocation of the CGC's funding by program activity based on the 2009-2010 forecast spending. The largest portion of the CGC's funding is allocated to the Quality Assurance Program. While the CGC has a specific program activity dedicated to producer protection activities, it is important to note that the CGC's other program activities also contribute to the CGC's overall mandate of producer protection. For example, the quality and quantity assurance programs are essential for producers to realize maximum value from their grain. With consistent mandated expectations, the percentage allocated to each program activity does not change significantly from year-to-year.

2009-2010 Allocation of Funding by Program Activity



The following table shows the voted and statutory items displayed in Main Estimates. The Vote and Statutory items reflect the CGC comparison of approved funding from year to year. In 2009-2010, the CGC received an additional \$34.4 million via Supplementary Estimates that is not reflected in the Main Estimates.

Voted and Statutory Items Displayed in Main Estimates

Vote or Statutory Item	Canadian Grain Commission	2010-2011 Main Estimates (\$ 000's)	2009-2010 Main Estimates (\$ 000's)
40	Program Expenditures	4 924	4 756
(S)	Canadian Grain Commission Revolving Fund	(120)	(120)
(S)	Contributions to Employee Benefit Plans	590	561
	Total Department	5 394	5 197

Section II: Analysis of Program Activities

Strategic Outcome

Canada's grain is safe, reliable and marketable and Canadian grain producers are protected

The CGC has one strategic outcome, as above, that reflects the daily delivery of the CGC's program activities and the long-term benefit to Canadians stemming from the CGC's mandate and vision. All CGC program activities contribute to the achievement of this sole strategic outcome. As a regulatory agency, the CGC is mandated to, in the interests of grain producers, establish and maintain standards of quality for Canadian grain and regulate grain handling in Canada, to ensure a dependable commodity for domestic and export markets. To measure its success in delivering upon its strategic outcome, the CGC has identified two performance indicators with associated targets.

Performance Indicator	Target
Number of instances where buyers are dissatisfied with CGC standards, methods or procedures used to ensure a dependable commodity for domestic and export markets	Zero instances
Level of producer satisfaction with CGC producer protection services	Zero unresolved or unaddressed complaints

A broad spectrum of producers and grain industry representatives meet several times annually, through the Western and Eastern Standards Committees and commodity-specific subcommittees, to study and review grain standards to ensure their relevance and value in facilitating the segregation, movement and transfer of ownership of grain. In addition, the CGC tracks buyers' satisfaction of the consistency of Canadian grain through feedback garnered by CGC personnel from overseas or domestic buyers and processors. The CGC also receives feedback on the GQAS directly from producers and grain handlers. Feedback is used to build upon and strengthen the existing GQAS and producer protection programs to ensure continued relevance.

The CGC remains committed to modernizing regulations and reducing mandatory costs to the grain sector, including producers. Modernization of the *Canada Grain Act* and the *Canada Grain Regulations* will ensure that the CGC's legislation, programs and services continue to meet the evolving needs of Canadian producers and the grain industry and that the CGC can effectively and successfully deliver upon its strategic outcome and program activities.

The CGC has five program activities to reflect how its resources are allocated and managed to achieve intended results. The following sections describe the targets for each program activity, performance indicators and expected results as well as the CGC activities and plans that will

contribute to meeting the expected results. Information is also provided on the financial and non financial resources that will be dedicated to each program activity as well as a description of how the operational priorities identified in Section I align with each program activity. The management priorities identified in Section I indirectly support all program activities and will be discussed under the Internal Services program activity.

Program Activity 1: Quality Assurance Program

Program Activity: Quality Assurance Program					
2010-2011		2011-2012		2012-2013	
Human Resources (FTEs)	Planned Spending (\$ thousand)	Human Resources (FTEs)	Planned Spending (\$ thousand)	Human Resources (FTEs)	Planned Spending (\$ thousand)
177	21 176	177	21 176	177	21 176

Note: The planned spending and planned FTE's shown above are reflective of approved authorities to date only and not reflective of total resource needs. The CGC is currently assessing options to ensure appropriate funding is available to maintain program delivery.

Expected Result	Performance Indicator	Target
Consistent and reliable grain quality and grain safety assurance to meet the needs of domestic and international markets	Number of justified cargo complaints due to a breakdown in CGC quality and/or safety assurance	Zero justifiable cargo complaints
Operational Priorities that align with this Program Activity		
<ol style="list-style-type: none"> 1. Deliver services as mandated by the <i>Canada Grain Act</i> in a climate of constantly changing international and domestic markets, technological advancements and evolving end-user needs and preferences 2. Position the GQAS to remain relevant and support the continued competitiveness of Canadian grains in both domestic and international markets 3. Grain Safety Assurance 		

Program Activity Description

Canada's GQAS assures consistent and reliable grain quality that meets the needs of international and domestic markets. Daily provision of grain inspection and grading services as mandated by the *Canada Grain Act* as well as strong scientific and technical support programs and services are integral components to the overall delivery of an effective GQAS. Canada's GQAS is continually adapted to the end-use needs of domestic and international buyers of Canadian grain, and to the ongoing structural changes within the grain industry to maintain Canada's reputation as a consistent supplier of quality grain. An effective GQAS is a key factor

in permitting Canadian exporters to market successfully in competitive international grain markets and is essential for producers in order to realize maximum value from their grain.

Planning Highlights

The quality assurance program directly supports the ongoing delivery of the CGC's mandate and is necessary for the CGC to deliver upon its strategic outcome of assuring Canada's grain is safe, marketable and reliable. The CGC's performance during the reporting period will be measured against the expected result, performance indicator, and target as identified above. The CGC plans to achieve the target of zero justifiable cargo complaints due to a breakdown in CGC assessment of quality and/or safety assurance. To make progress towards the expected result and meet the target, the CGC plans to continue the following activities and services:

- Maintain and deliver an effective Quality Management System as per ISO 9001:2008 standards. Adherence to ISO Quality Management System procedures includes regular review of quality assurance processes allowing the CGC to adjust service procedures and identify or adjust training as necessary.
- Inspect and grade grain using regularly updated and approved standards as mandated by the *Canada Grain Act*.
- Provide certificates and documentation related to the inspection of grain exports to assure sellers and buyers of the quality and safety of a shipment of Canadian grain
- Conduct testing to ensure that grain in the domestic licensed elevator system and grain destined for export is infestation free.
- Provide an unbiased process for appeal of official inspections to producer car users, and licensed primary, terminal, and transfer elevator operators who disagree with the grades assigned by CGC inspectors.
- Manage a complaint resolution process for the quality of grain cargo disputes
- Conduct unload investigations upon shipper and producer request to ensure customer satisfaction.

The consistent daily delivery of the above activities and services will continue to be the main focus of this program activity and is the primary focus of operational priority #1 (ongoing delivery of the CGC mandate). The additional strategic initiatives identified under operational priority #1 are directly focused on enhancing and improving the activities and service delivery of this program activity and integrating new technologies and protocols into the GQAS.

Addressing the challenges facing the CGC and GQAS is necessary to maintain the successful delivery of this program activity as well as the CGC's strategic outcome. The strategic initiatives identified under operational priority #2 are focused on ensuring Canada's GQAS adapts to challenges and remains relevant in both domestic and international markets. These initiatives directly support the CGC's long term ability to meet the expected results associated with this program activity.

In light of increasingly stringent international food safety regulations, the demand for cargo specific grain safety testing continues to increase. Buyers of Canadian grain are increasingly demanding more rigorous and timely testing for toxins, chemical residues and trace elements in cargoes. Plans under operational priority #3 include evaluating present and future CGC requirements for grain safety monitoring and assurance to ensure appropriate allocation of adequate human and financial resources to meet these service demands. This includes

prioritizing Grain Research Laboratory (GRL) grain safety analytical procedures for ISO/IEC 17025 certification to ensure international recognition of CGC grain safety assurances.

Benefits for Canadians

The CGC's quality assurance program provides quality control for the Canadian grain industry and supports the enhanced marketability of Canadian grain. Grain quality refers to end-use processing quality, grain safety and cleanliness, and, in some cases, the composition of varieties in shipments of grain. In addition, the CGC will continue to benefit Canadians by providing technical advice and training, information on grain quality assurance issues, and transfer technology in the form of validated methods to producers and industry stakeholders when feasible. The quality assurance program supports not only the delivery of the CGC mandate, but positions Canada with a sustainable competitive advantage in global grain markets. Additional information on the quality assurance program is available at:

<http://grainscanada.gc.ca/quality-qualite/iaqm-mrsq-eng.htm>.

Program Activity 2: Quantity Assurance Program

Program Activity: Quantity Assurance Program					
2010-2011		2011-2012		2012-2013	
Human Resources (FTEs)	Planned Spending (\$ thousand)	Human Resources (FTEs)	Planned Spending (\$ thousand)	Human Resources (FTEs)	Planned Spending (\$ thousand)
71	8 479	71	8 479	71	8 479

Note: The planned spending and planned FTE's shown above are reflective of approved authorities to date only and not reflective of total resource needs. The CGC is currently assessing options to ensure appropriate funding is available to maintain program delivery.

Expected Result	Performance Indicator	Target
Consistent and reliable quantity assurance of Canadian grain shipments	Number of justified cargo complaints due to a breakdown in CGC assessment of quantity	Zero justifiable cargo complaints
Operational Priorities that align with this Program Activity		
<ol style="list-style-type: none"> 1. Deliver services as mandated by the <i>Canada Grain Act</i> in a climate of constantly changing international and domestic markets, technological advancements and evolving end-user needs and preferences 2. Position the GQAS to remain relevant and support the continued competitiveness of Canadian grains in both domestic and international markets 		

Program Activity Description

The Canadian grain quantity assurance system assures the weight of grain loaded into or discharged from conveyances and in storage in the licensed terminal and transfer elevator system to meet the requirements of the grain industry from producers to customers. Daily provision of grain weighing services as mandated by the *Canada Grain Act* forms a major part of the Quantity Assurance System. To maintain relevance and to address constantly changing industry demands, ongoing technical support is provided in support of the grain quantity assurance system.

Planning Highlights

The overall expected result of this program activity is consistent and reliable quantity assurance for Canadian grain shipments. Delivery of weighing services and programs is an integral component of the ongoing provision of the CGC mandate and the Canadian GQAS. The CGC's performance during the reporting period will be measured against the performance indicator and target as identified above. The CGC plans to achieve the target of zero justifiable cargo complaints due to a breakdown in CGC assessment of quantity. To make progress towards the expected result and meet the target, the CGC plans to continue the following services and programs:

- Deliver weighing services, weighing system inspection programs, and grain inventory accounting services (GIAS) to maintain an effective QMS as per ISO 9001:2008 standards. This includes regular review of quantity assurance processes allowing the CGC to adjust service procedures and identify or adjust training as necessary.
- Monitor to ensure that the quantity and/or identity of grains shipped under IP systems is preserved.
- Conduct official weigh-overs of all stocks in store at licensed terminal and transfer elevators at prescribed intervals.
- Prepare official unload reports at licensed terminal and transfer elevators to authenticate received weights. These reports are used by the Dispute Resolution Service (DRS).
- Manage the Grain Inventory Accounting System (GIAS) and the Montreal Registration System for the industry to provide accurate information of licensed terminal and transfer grain inventory data.
- Manage the DRS to assist grain producers and the grain industry in recovering for grain lost during transport by railcar or during the discharge process.
- Manage the complaint resolution processes for quantity of export grain cargoes to maintain ongoing customer satisfaction.

These activities are components of operational priority #1 (ongoing delivery of services as mandated by the CGA) and contribute to the successful delivery of the CGC's strategic outcome of ensuring Canada's grain is safe, reliable and marketable and Canadian grain producers are protected.

The CGC's quantity assurance program must align with and be able to respond to the changing requirements of the grain industry to effectively ensure consistent and reliable quantity assurance of Canadian grain shipments. To this extent, the CGC will continue to collect, interpret and distribute railcar data and information and generate reliable grain quantity data to meet specific industry and buyer needs. The CGC will continue to provide technical advice and continue to establish and maintain grain quantity assurance standards that evolve with industry grain weighing procedures and equipment standards. Adaptations made to weighing programs,

procedures, and equipment contributes to the reliability of the Canadian GQAS and a sound regulatory framework (operational priority #2).

Benefits for Canadians

The quantity assurance program directly contributes to the CGC's strategic outcome of ensuring Canada's grain is reliable and marketable and Canadian grain producers are protected. The CGC establishes and maintains Canadian grain quantity assurance services to continuously evolve with industry grain weighing procedures and equipment standards. The grain quantity assurance program benefits Canadians by providing ongoing technical advice, training, and information on grain quantity assurance to meet specific industry and buyer needs. Additional information on the quantity assurance program is available at:

<http://grainscanada.gc.ca/quantity-quantite/iaqnm-mrsqn-eng.htm>.

Program Activity 3: Grain Quality Research Program

Program Activity: Grain Quality Research Program					
2010-2011		2011-2012		2012-2013	
Human Resources (FTEs)	Planned Spending (\$ thousand)	Human Resources (FTEs)	Planned Spending (\$ thousand)	Human Resources (FTEs)	Planned Spending (\$ thousand)
30	3 564	30	3 572	30	3 572

Note: The planned spending and planned FTE's shown above are reflective of approved authorities to date only and not reflective of total resource needs. The CGC is currently assessing options to ensure appropriate funding is available to maintain program delivery.

Expected Result	Performance Indicator	Target
Research and development on grain quality and grain safety to support and improve Canada's GQAS	Assessment of grain quality and grain safety research undertaken, sponsored, and/or promoted by the CGC	"Excellent" on a scale of excellent, good, fair or poor
Operational Priorities that align with this Program Activity		
<ol style="list-style-type: none"> 1. Deliver services as mandated by the <i>Canada Grain Act</i> in a climate of constantly changing international and domestic markets, technological advancements and evolving end-user needs and preferences 2. Position the GQAS to remain relevant and support the continued competitiveness of Canadian grains in both domestic and international markets 3. Grain Safety Assurance 		

Program Activity Summary

The *Canada Grain Act* requires the CGC to undertake, sponsor and promote research related to grains. The CGC's Grain Research Laboratory (GRL) conducts research in support of the GQAS to address emerging issues and permit the effective marketing of Canadian grain in the interests of producers and the Canadian grain industry. The GRL researches methods to measure grain quality and safety, new quality and safety factors, and new grain standards. In addition, the GRL carries out the CGC's annual Harvest Sample Program. Grain quality and safety research supports the continual improvement of the GQAS.

Planning Highlights

The expected result of this program activity is research and development on grain quality and grain safety to support and improve Canada's GQAS. The CGC's performance during the reporting period will be measured against the performance indicator and target as identified above. The CGC plans to achieve the target of "excellent" on a scale of excellent, good, fair or poor. This program activity is integral to the continued relevance of Canada's GQAS and contributes directly to the CGC's strategic outcome of ensuring Canada's grain is safe, reliable and marketable.

To measure performance during the reporting period, the CGC will continue to:

- Track projects undertaken in the GRL through the CGC's established Project Management System. Milestone and/or update reports and project close-out reports formally track project progress, results, and analysis of variances impacting cost, deliverables, schedule, risks, and lessons learned to assist the director-sponsor and the CGC's Executive Management Committee in monitoring the progress and outcomes of the projects.
- Participate in several external proficiency tests to receive unbiased evaluations with respect to GRL accuracy and precision.

The changing needs of the Canadian grain industry present new opportunities for the CGC's research activities and the GQAS. There has been a shift in the type of crops grown and their end-uses, and increased demand for variety identification by objective non-visual methods. Grain is increasingly being sold based on specifications, and demands for objective non-visual testing of grain quality and/or safety factors has increased. Research focus and allocation of resources at the GRL continuously adapts to address emerging issues and to increase efficiency, reduce costs and enhance the testing capabilities of the CGC. The strategic initiatives identified under operational priority #2 and #3 will provide direction for the GRL's research activities during the planning period.

The CGC's science and technology capacity must keep pace with and anticipate the needs of both domestic and international markets in order to ensure Canada's grain is safe, reliable and marketable. To this end, the CGC will continue to track buyers' satisfaction with the GQAS through feedback received by CGC personnel from overseas and domestic buyers and processors, producers and grain handlers. The feedback received will be used to identify research priorities to build upon and strengthen the existing GQAS to ensure continued relevance.

Benefits for Canadians

Research undertaken and sponsored under this program activity leads to the development of recognized methods for quality and safety evaluation of all grains and objective testing protocols

and specifications to support the Canadian grading system. The research from this program activity also facilitates the end-use diversification of Canadian grains. This allows Canada's GQAS to continually adapt to assure grain quality and grain safety to meet the end-use needs and processing expectations of domestic and international buyers of Canadian grain. Additional information on the grain quality research program is available at: <http://www.grainscanada.gc.ca/research-recherche/iarm-mrsr-eng.htm>.

Program Activity 4: Producer Protection Program

Program Activity: Producer Protection Program					
2010-2011		2011-2012		2012-2013	
Human Resources (FTEs)	Planned Spending (\$ thousand)	Human Resources (FTEs)	Planned Spending (\$ thousand)	Human Resources (FTEs)	Planned Spending (\$ thousand)
8	903	8	904	8	904

Note: The planned spending and planned FTE's shown above are reflective of approved authorities to date only and not reflective of total resource needs. The CGC is currently assessing options to ensure appropriate funding is available to maintain program delivery.

Expected Result	Performance Indicator	Target
Producer satisfaction with the grain handling system	CGC response to producer complaints	Zero unresolved or unaddressed complaints
Operational Priorities that align with this Program Activity		
<ol style="list-style-type: none"> 1. Deliver services as mandated by the <i>Canada Grain Act</i> in a climate of constantly changing international and domestic markets, technological advancements and evolving end-user needs and preferences 2. Position the GQAS to remain relevant and support the continued competitiveness of Canadian grains in both domestic and international markets 3. Grain Safety Assurance 		

Program Activity Summary

The CGC is mandated to serve producer interests by upholding the *Canada Grain Act* and as such has implemented a number of specific programs and safeguards to ensure the fair treatment of Canadian grain producers. These include the licensing and security program, allocation of producer cars for producers and producer groups that wish to ship their own grain, and producer liaison measures including a grain grade appeal system. In addition, the CGC collects and updates grain quality data and grain handling information to facilitate producer sales and marketing decisions. The CGC's other program activities also contribute to the CGC's overall mandate of producer protection.

Planning Highlights

The overall expected result of the producer protection program is that producers' rights are supported to facilitate fair treatment within the licensed grain handling system. The CGC's performance during the reporting period will be measured against the performance indicator and target as identified above. During the reporting period, the CGC plans to meet the target of zero unresolved or unaddressed complaints. The CGC will continue to assess its programs and services in order to meet the evolving needs of producers and the grain industry. Where possible, amendments will be made to benefit producers by encouraging a lower cost, competitive and innovative grain handling sector.

To achieve the expected result and target associated with this program activity and to successfully deliver upon the CGC's strategic outcome of ensuring Canadian grain producers are protected, the CGC plans to continue operating the following three mandate supporting program sub-activities:

Licensing Program

The CGC licenses and regulates primary, process, terminal, and transfer elevators as well as grain dealers in accordance with the *Canada Grain Act*. Licensed elevators and grain dealers are required to post security to cover their liabilities to producers in the event of a company default. The licensing requirements also ensure that producers who deliver to a primary elevator can access their right to be paid on the basis of grade and dockage that is determined by a CGC inspector, rather than by the grain handler. In addition, licensees are required to report grain handling information as stipulated in the *Canada Grain Regulations* to facilitate the CGC's statistical reporting activities. The expected result of this program sub-activity is licensing compliance in accordance with the *Canada Grain Act*. The CGC will continue increased scrutiny and enforcement of security requirements to mitigate the risks associated with operating the security program.

Producer Car Allocation Program

Pursuant to the *Canada Grain Act* and *Regulations*, the CGC provides and makes available an alternate grain delivery mechanism for producers and producer groups that wish to ship their own grain. The CGC has sole responsibility for the allocation of producer cars for both Canadian Wheat Board (CWB) and non-CWB grains. The CGC works closely and cooperatively with the CWB, grain companies, and the railways in an effort to ensure that producer car orders are filled in a timely manner. The expected result of this program sub-activity is an alternate grain delivery mechanism for producers and producer groups.

Producer Support Programs

The CGC has set up an information and compliance framework to safeguard fair and equitable grain transactions for producers. This sub-activity is comprised of many programs and activities including mediating and/or arbitrating producer complaints concerning transactions with licensed grain companies, re-inspection of samples on producer request, investigation of quality and dockage complaints, and collecting and updating grain quality data and grain handling information and making it available to producers and other interested parties to facilitate producer sales and marketing decisions. The expected result of the CGC's producer support programs is that producers are properly compensated for the quality and quantity of grain delivered within the licensed grain handling system. During the planning period, the CGC will

continue to consult with and evaluate feedback from producers on the activities and services provided under this program activity.

Benefits for Canadians

The licensing program, producer car allocation program, and the producer protection programs directly contribute to ensuring Canadian grain producers are properly compensated for the quality and quantity of grain delivered and shipped. Additional information on the producer protection programs and the benefits to Canadian producers is available at:

<http://grainscanada.gc.ca/protection-protection/iappm-mrspp-eng.htm>.

Program Activity 5: Internal Services

Program Activity: Internal Services					
2010-2011		2011-2012		2012-2013	
Human Resources (FTEs)	Planned Spending (\$ thousand)	Human Resources (FTEs)	Planned Spending (\$ thousand)	Human Resources (FTEs)	Planned Spending (\$ thousand)
71	8 455	71	8 458	71	8 458

Note: The planned spending and planned FTE's shown above are reflective of approved authorities to date only and not reflective of total resource needs. The CGC is currently assessing options to ensure appropriate funding is available to maintain program delivery.

Program Activity Description

Internal Services are groups of related activities and resources that are administered to support the needs of programs and other corporate obligations of an organization. These groups are: Management and Oversight Services; Communications Services; Legal Services; Human Resources Management Services; Financial Management Services; Information Management Services; Information Technology Services; Real Property Services; Materiel Services; Acquisition Services; and Travel and Other Administrative Services. Internal Services include only those activities and resources that apply across an organization and not those provided specifically to a program.

Planning Highlights

Internal services are enabling activities that allow the CGC to deliver the programs and services necessary to carry out its strategic outcome. The CGC does not have established formal expected results, performance indicators and targets for this program activity. However, because internal services are enabling activities, to a large extent success can be measured by the CGC's ability to meet the expected results of its strategic outcome and other program activities. Success in other areas can be measured by tracking activities against the goals of various government-wide initiatives.

During 2010-2011, the CGC will focus attention and resources on the following:

- Effective people management
 - The CGC's People Management Framework (PMF) provides direction and focus for the CGC by setting out strategies for meeting human resource needs as the organization strives for excellence in delivering services to our clients. The CGC plans to increase focus on public service renewal objectives established by the Privy Council Office, employee recruitment, retention and development, succession planning, employment equity, diversity and leadership development as well as employee wellness and communication to create and sustain a healthy work environment during a period of uncertainty and change.
- Stable and Sustainable Funding Mechanism
 - The CGC has required additional ad hoc government funding each year since 1999 in order to fulfill its mandate. The CGC will continue to work in consultation with AAF and Government of Canada Central Agencies to determine an optimal long term funding arrangement for the CGC to eliminate dependence on annual ad-hoc funding. This includes further developing definitions of public and private benefit activities and developing an approach to user fees and cost recovery. A sustainable funding mechanism is imperative for the CGC to carry out its legislated responsibilities and maintain its capacity to create value for producers, the grain industry, and the Canadian public. In addition, the CGC must establish a funding arrangement for human resource services provided through AAF.
- Management Accountability Framework Assessment and Priorities
 - The CGC's MAF VIII Action Plan (<http://grainscanada.gc.ca/cgc-ccg/cr-rm/maf-cgr/maf8-cgr8-1-eng.htm>) is built around the CGC's Round V MAF assessment and outlines current and future initiatives aimed at addressing areas requiring enhancement or improvement. While the CGC is committed to continuous improvement in all areas of management, it will continue initial focus on three key areas. These are quality reporting to Parliament, effectiveness of corporate risk management, and effectiveness of the internal audit function.
- Internal Audit and Evaluation Functions
 - During 2010-11, the CGC will continue to implement its Internal Audit and Evaluation functions. A Departmental Audit Committee will be established, the Internal Audit function will commence executing its Risk-based Audit Plan, and an Evaluation Plan will be developed.
- Security Planning
 - The CGC plans to finalize the business continuity and pandemic plans and conduct exercises to verify their effectiveness.
- Communication
 - The CGC will continue to work with AAF Portfolio partners, provincial government organizations, and central agencies to develop and build relations and increase awareness of the CGC's mandate and activities both within Canada and with our international customers. This includes continued efforts to develop and implement effective communication tools and communications to highlight CGC activities, promote CGC awareness, and consult with producers and other stakeholders.

Section III: Supplementary Information

Supplementary Information Tables

All electronic supplementary information tables found in the 2010-11 Report on Plans and Priorities can be found on the Treasury Board of Canada Secretariat's web site at: <http://www.tbs-sct.gc.ca/rpp/2010-2011/info/info-eng.asp>.

Green Procurement
Internal Audits & Evaluations
Sources of Respendable Revenue
Summary of Capital Spending by Program Activity