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August 28, 2018

Ms. Patti Miller, Chief Commissioner
Canadian Grain Commission
600 – 303 Main Street
Winnipeg, MB    R3C 3G8

The Honourable Lawrence MacAulay
Minister of Agriculture & Agri-Food (AAFC)
House of Commons
Ottawa, ON   K1A 0A6

Dear Minister MacAulay and Ms. Miller,

The Prairie Oat Growers Association (POGA) is incredibly disappointed in the Canadian Grain Commissions decision to disperse $90 million of its $130 million surplus into numerous special projects and expand its operations rather than reducing service fees for Canadian grain farmers in the form of reduced fees.

Per POGA's letters in September 2016, March of 2017 and discussions with the CGC and Minister MacAulay on multiple occasions, oat producers of Western Canada feel very strongly that "this surplus, less a reasonable contingency reserve fund, must be returned to industry and through to producers by lowering the export inspection and weighing fees over the next five years." And the CGC's forecasting methodologies and timelines for fee adjustments should also be adjusted to more accurately reflect grain volumes to alleviate future overcharges and ultimately prevent future surpluses.

POGA was not alone in this request. According to the CGC's report in October 2017 "The majority of stakeholders supported using the entire surplus, minus a reasonable contingency reserve requirement, to reduce user fees over the 2018 to 2023 user fees cycle. Proposals for actual implementation of a reduction varied. Some stakeholders suggested setting fees to zero for a set time period to quickly drawdown the surplus, while a large number supported an equal per year fee reduction over the 2018 to 2023 period."  According to this same report this was the only recommendation that had the majority support.

In the August 1, 2018 press release the CGC states “In the coming months, the Commission will consult with grain sector stakeholders to develop more detailed proposals within the Surplus Investment Framework.” The CGC already conducted a consultation and got a majority vote on one, and only one, choice. Yet, despite this, the CGC has chosen to disregard the ag industry’s requests to refund the money back to producers in the form of lower fees. POGA questions if the CGC will actually move forward with what producers want done with their own money (currently residing in the hands of the CGC as a surplus) or will the same scenario apply where the CGC simply attempts to show consultation but will not actually use the results of them to drive decisions just as was done in 2017?

The use of $4M dollars for the wheat samples in the harvest sample program is a great example of not consulting with the industry. This funding shows a complete disregard for the fact that this fee was charged on all crops, not just wheat. Hopefully the rest of the upcoming “strategic investment” spending is more equitable across crops.

The POGA board would ask the CGC and Minister MacAulay to reconsider this allocation of funds and change the Canada Grain Act to allow for this surplus to be returned to those that earned it, the hard-working farmers of Canada. The Ag industry has already requested this in the 2017 survey, now it’s up to the CGC and the Government of Canada to do the right thing and what the owners of this money have requested: refund it, in the form of reduced fees, to the farmers that earned and paid it. In addition, the CGC should adjust the fees annually with minimal consultation instead of every 5 years, so that any surplus or shortfall can be dealt with quickly to eliminate this type of surplus from accumulating again.

The Oat Growers of Western Canada look forward to your prompt attention to this continuous growing surplus.

Sincerely,

Art Enns

Art Enns, President
The Prairie Oat Growers Association

Shawna D. Mathieson

Shawna Mathieson, Executive Director
The Prairie Oat Growers Association

cc: All Members of Parliament