

Alberta Grain Commission

Year-End Report

2008 - 2009¹

INTRODUCTION

The Alberta Grain Commission (AGC) is a provincial government agency within the Ministry of Agriculture and Rural Development (ARD), comprised of ten members appointed by the Minister. This body advises and makes recommendations to the Minister of ARD on current and emerging issues and trends in the grain industry.

Mandate

- Examine all facets of the grain industry (cereals, oilseeds, pulses, and specialty crops) from producer to end user;
- Make policy recommendations to the Minister of ARD on any matters pertaining to the grain industry;
- Maintain liaison with other governments, groups, or boards within or outside Alberta;
- Carry out such other assignments related to the matters above, and as may be specified by the Minister of ARD.

Mission

To provide progressive, farm-based advice to the Minister, and appropriate groups to enable a prosperous, sustainable and market-driven farm and agri-sector.

REPORT FOR 2008-2009

AGC Goal 1: Provide Policy Input

Logistics

- Monitored grain movement and grain transportation issues. Met with Quorum, the group monitoring grain movement for the federal government, and liaised with other stakeholders and the department, seeking to improve service for shippers. Wrote letters to Ministers of Transport Canada and Agriculture and Agri-Food Canada to suggest that Quorum's measurements of the supply chain should begin at the farm
→**Result:** AGC and department staff continues to increase understanding

¹ AGC reports on a fiscal year basis.

of the grain transportation system and issues within.

- Monitored the Rail Freight Service Review, launched in April 2008, by Transport Canada. The review is part of a commitment to review Canada's rail-based logistics chain to ensure an effective, efficient, consistent and reliable rail transportation supply chain that will keep Canada competitive in domestic, continental, and international markets.
 - ⇒ **Result:** AGC and department staff continues to increase understanding of the grain transportation system and issues within.
 - ⇒ **Result:** Farmers and industry anticipate the results of the service review so that strengths and weaknesses in the system can be identified and solutions can be implemented

Trade

- Examined and monitored trade developments. Worked closely with the Canadian Agri-Food Trade Alliance (CAFTA), a coalition of national and regional organizations, associations and companies that support an open and fair international trading environment for agriculture and agri-food.
- Prepared and sent AGC member in May 2008 to Geneva with the Minister of ARD for meetings with various countries and with Canadian negotiators to put forward CAFTA's trade policy positions.
- Prepared and sent AGC Chair to Geneva in July 2008 for World Trade Organizations (WTO) Ministerial meetings.
- Expressed disappointment in Minister of Agriculture and Agri-Food regarding Canada's continuing support for sensitive products, which is a statement of protectionism rather than trade liberalization.
 - ⇒ **Result:** The grain industry concerns regarding more liberalized trade are represented in Geneva.

Crop Innovation

- Suggested to the federal Minister of Agriculture and Agri-Food Canada that the seed regulation process needs to be adjusted so that innovation adaption is enabled. Quality should be determined by the market, rather than a regulator.
- Advised Minister that Alberta needs a regulatory framework around nanotechnology which allows commercial products to enter the marketplace.
- Sent a letter of support to the Canadian Food Inspection Agency (CFIA) for proposed amendments to the Seeds Regulations. Proposed changes to the four crops identified in the amendments provide a starting point for a more flexible registration system.
- Made a submission to the Alberta Agriculture and Rural Development Competitiveness Initiative, including recommendations for improvements to the federal regulatory system, and for increased research capacity and commercialization.
 - ⇒ **Result:** Some progress has been made with respect to advancing crop innovation in Canada. The federal government eliminated Kernel Visual Distinguishability (KVD) for all classes of wheat effective August 1, 2008.

Policy Development

- Fusarium Head Blight (FHB) – Continued to be a member of the Alberta Fusarium Head Blight Response Committee.
- Clubroot of Canola – Continued to be a member of the Clubroot management Committee.
- Became a member of Grain Vision, a group of farmers, farm organizations and commercial firms whose goal is to create a climate that fosters innovation and competitiveness and encourages investment and profitability in the Canadian grains and oilseeds sector.
- Became an associate member of the Grain Growers of Canada, a group composed of major grain and oilseed commodity groups devoted to representing grain and oilseed producer interests in national policy development.

Producer Security

- With changes proposed to the Canada Grain Act which would eliminate bonding by the Canadian Grain Commission, AGC began an investigation of potential alternatives for producer security. Exploration of alternatives continues.

Fertilizer

- Examined and monitored fertilizer industry. Met with Canadian Fertilizer Institute. Developed a position statement on fertilizer.
→ **Result:** AGC members gained a better understanding of the fundamentals of supply and demand in the fertilizer market.

Wheat Commission

- Met with individuals who are considering the concept of the establishment of one wheat commission for all wheat grown in the province of Alberta.
- Developed a position statement on an overarching wheat commission for the province.
→ **Result:** AGC is supportive of Alberta farmers forming an Alberta Wheat Commission. A commission could provide strategic leadership to improve the wheat industry in Alberta and Canada through research, development and promotion, in the interest of Alberta wheat farmers.

Environment

- Advised Minister of ARD that the regional plans for the Land Use Framework must reflect the integrity of agricultural land and the maintenance of the productivity of agricultural land, particularly in areas of high growth.

AGC Goal 2: Achieve Marketing Choice

- Worked with groups to foster awareness and promote participation in the 2008 CWB election. Participated in Marketing Choice Alliance efforts to support candidates running in the election.

- Alberta Minister of ARD encouraged farmers to 1) consider running as a candidate and 2) exercise their right to vote in the CWB election.
- AGC member was interviewed by Call-of-the-Land radio program regarding the importance of voting in the CWB election.
 - **Result:** One choice director was elected to the CWB.
- Supported Bill C-57, a bill which amended the CWB election regulations such that a change was made to the definition of ‘farmer’ and a minimum tonnage was required for voter eligibility. Advised Alberta Minister of ARD to encourage the federal Minister of Agriculture and Agri-Food Canada to move forward with the changes.
 - **Result:** Bill C-57 was blocked by opposition parties.
- Supported Bill C-46, a bill to deregulate the single desk for barley.
 - **Result:** Bill C-46 was blocked by opposition parties.
- Met with CWB President & CEO and staff to discuss CWB performance, and programs for farmers.
- AGC staff met with CWB staff to discuss and better understand CWB Producer Payment Options.
 - ⇒ **Result:** Frank and candid comments and questions were exchanged. AGC members were able to impress their views regarding marketing choice, payment options, and the price pooling system. AGC also wrote two follow-up letters regarding Producer Payment Options (PPOs), including the lack of effective price signals, and the discrepancy between CWB prices and American prices.
- AGC members and staff attended CWB producer meetings. Members questioned losses to the PPO and losses due to ‘discretionary commodity trading’. Wrote a letter to the CWB impressing these concerns and frustrations.
- Minister of Alberta ARD and Minister of Saskatchewan Agriculture and Food wrote jointly to federal Minister of Agriculture and Agri-Food requesting an independent audit of CWB operations, risk management strategies and governance.
 - ⇒ **Result:** Federal Minister has asked CWB to cooperate with the Office of the Auditor General for a full review of its operations to address producer concerns and to identify and address any operational deficiencies.

AGC Goal 3: Effective Communication

Information Services

- Surveyed and published daily and weekly grain price reports in an accurate and timely way. Graphing feature continued to provide a visual picture of grain price trends.
- Revised and updated daily grain survey to capture representative buyers in all areas.
 - ⇒ **Result:** Better and more reliable price information is the result.

- ⇒ **Result:** Users valued these reports as shown by the daily grain price page receiving 175,449 visits, an increase of more than 17% over last year's hits. The feed grain price report received more than 10,300 visits. The new graphing feature received an additional 20,000 hits.

Client Communication

- As a board, met face to face with the Minister on two occasions and met with the Deputy Minister and the Assistant Deputy Minister of Planning and Competitiveness on a number of occasions. Chairman and staff met with Minister on one occasion.
 - ⇒ **Result:** Through various means, the Minister is aware of current and emerging issues in the grain industry and the AGC is aware of the Minister's priorities. The Deputy Minister and the Assistant Deputy Minister have an increased understanding of the role and activities of the AGC and the AGC is more aware of the priorities and projects of the Department.
- Liaised with other groups, partly through attendance at annual meetings and industry functions.
- Invited several guests to AGC meetings and met with an array of people from across the grain supply chain.
 - ⇒ **Result:** AGC fulfilled its mandate to liaise with governments, groups and boards within and outside Alberta. Understanding between groups continues to grow. AGC is up-to-date on industry issues and farmer concerns.

Good Governance

- Developed process, consistent with GOA guidelines, for AGC member recruitment.
- Successfully recruited and oriented three new AGC members.
- Attended a workshop on Board Governance, Evaluation and Performance.
- Developed a member Recruitment Policy for the AGC.
- Revised the mission statement for the AGC.
 - ⇒ **Result:** AGC continues to improve governance practices.
- Have invited an MLA Ray Prins to join AGC meetings whenever he is able to attend.
 - ⇒ **Result:** The perspective of a member of the Alberta Legislature is valuable to the deliberations of the AGC.

Operations

In June 2008, the Alberta Department of Agriculture and Rural Development was challenged with an internal program review. At that time, Minister Groeneveld requested that the Department review all programs and services with the goals of realigning people and budgets to focus efforts on key priorities and to support the implementation of the Alberta Meat and Livestock Strategy. This was an intense process in which all areas of

the Department were required to evaluate their relevancy and ensure that they were creating value in the most efficient and effective ways possible.

At the same time, General Manager Brenda Brindle accepted another position within the Department. AGC Department Member John Brown stepped up to fill the role of General Manager of the Alberta Grain Commission, and stepped down from his role as Member. John serves the AGC on a part-time basis as he also fulfills another role within the Department, Branch Head of the Feed Crops Branch, Agriculture Research Division. The AGC staff component was also reduced from 3.8 to 2.0 full time equivalents.

In spring 2008, AGC MLA member Doug Griffiths was named Agriculture Parliamentary Assistant, which created a vacancy on the commission. The AGC will likely not be appointed another MLA member, but has secured the interests of MLA Ray Prins who has indicated an interest in attending meetings whenever possible.

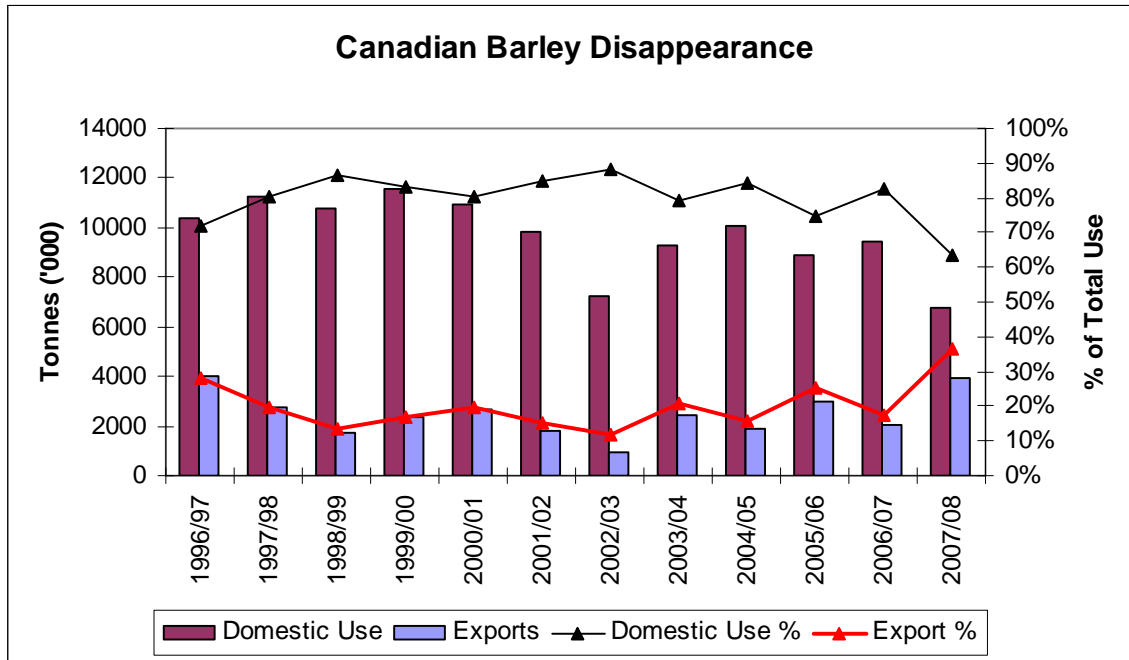
AGC MEMBERS

- Greg Porozni (Chair)
- Terry Young (Vice Chair)
- Henry Dechant
- Eugene Dextrase
- Daniel Greene
- D'Arcy Hilgartner
- Bob Hymas
- Ed Lefsrud
- Dennis Nanninga
- Gerard Oosterhuis
- John Richter
- Carol Bettac
- John Brown
- Vegreville
- Lacombe
- Fairview
- High Level (until July 2008)
- Carmangay
- Camrose (from August 2008)
- Strathmore (until July 2008)
- Viking (from August 2008)
- Barrhead
- Bow Island (from August 2008)
- Beiseker (until July 2008)
- Department Member
- Department Member (until September 2009)

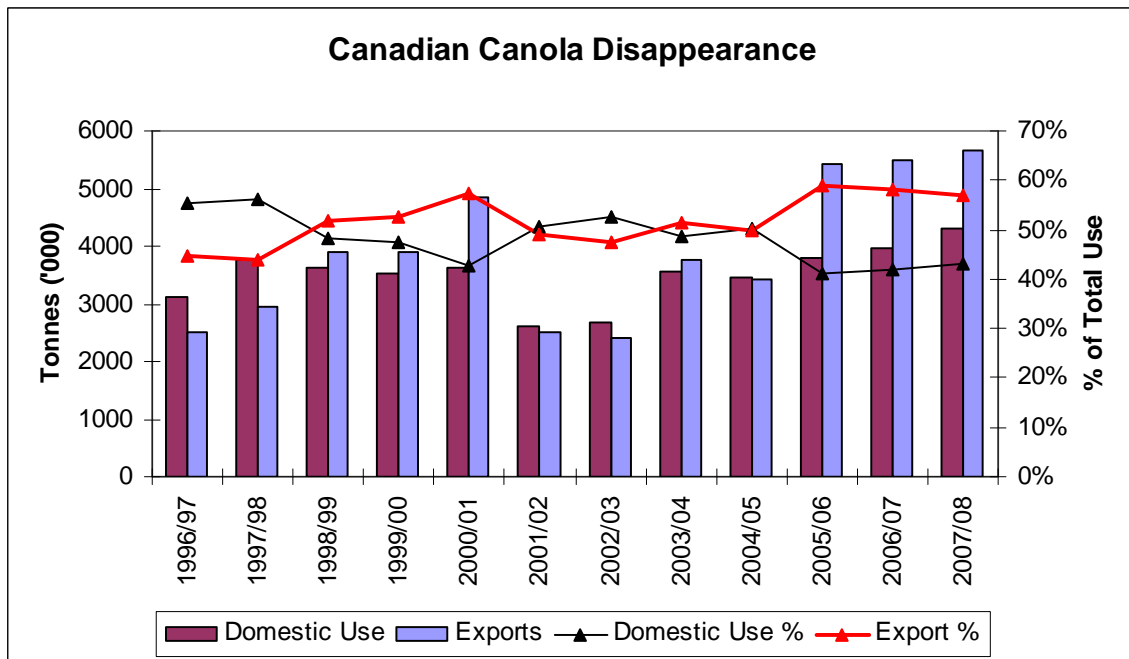
AGC STAFF

- Bonnie Barr
- Brenda Brindle, P.Ag.
- John Brown, P.Ag.
- Izzy Huygen, A.Ag.
- Julie Toma, P.Ag.
- Maura Winterburn
- Administrative Coordinator (from February 2009)
- General Manager (until September 2008)
- General Manager (from September 2008)
- Research Officer (until April 2008)
- Associate General Manager
- Administrative Coordinator (until February 2009)

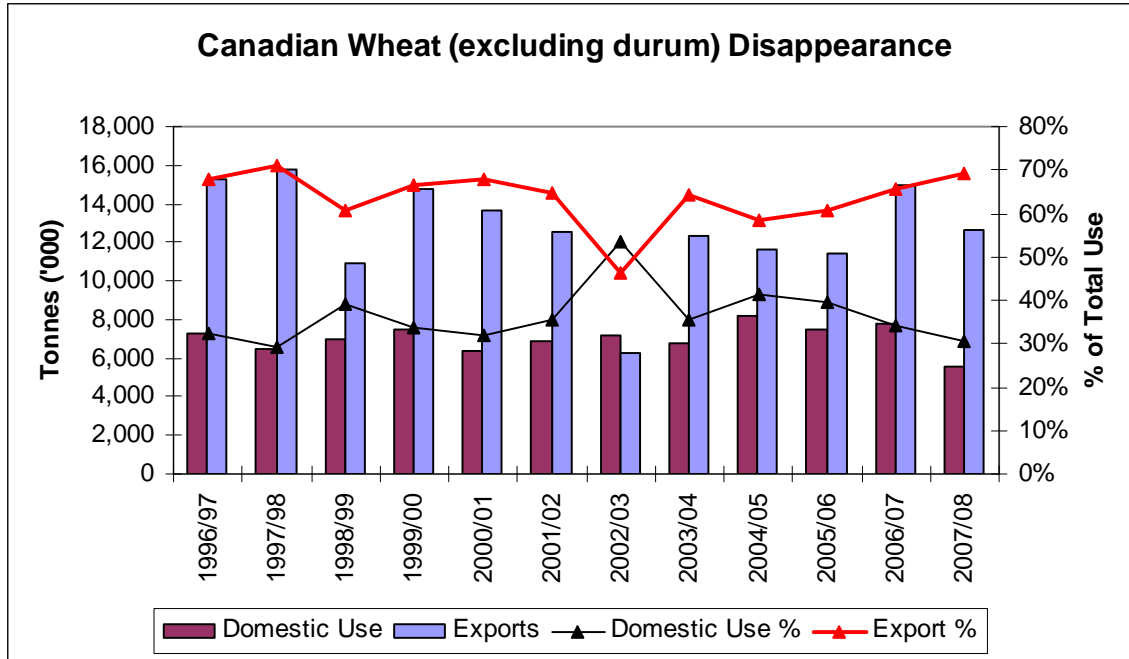
APPENDIX



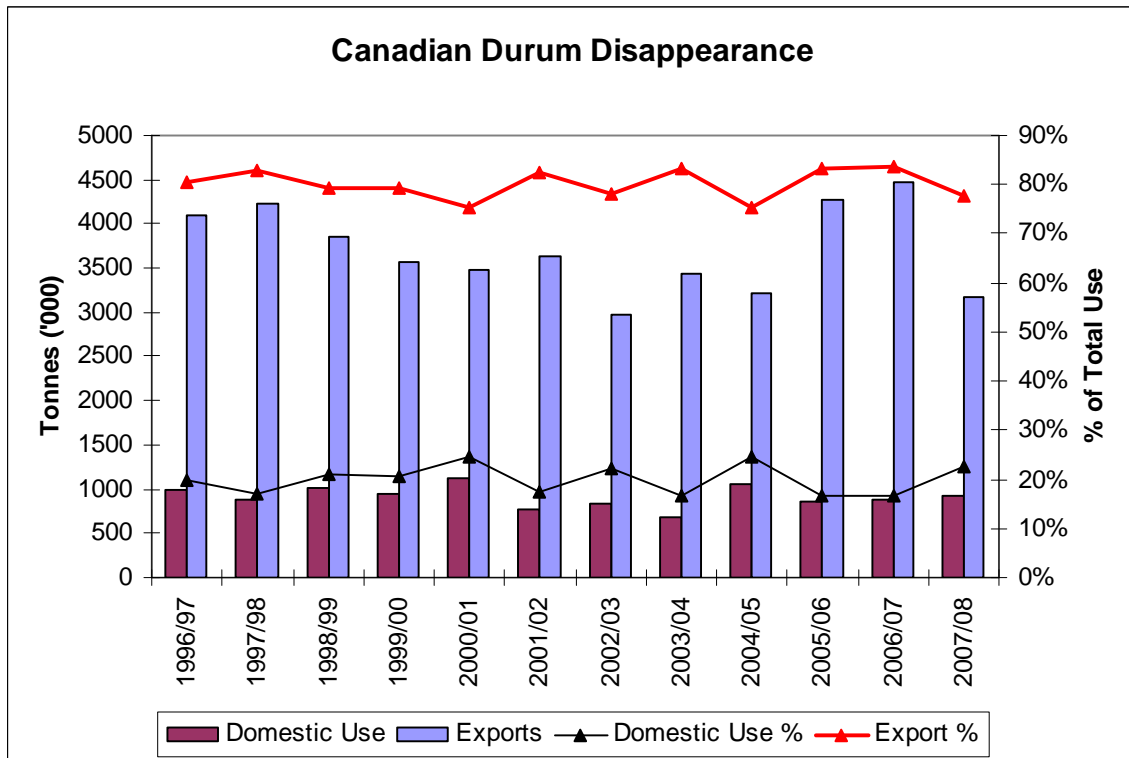
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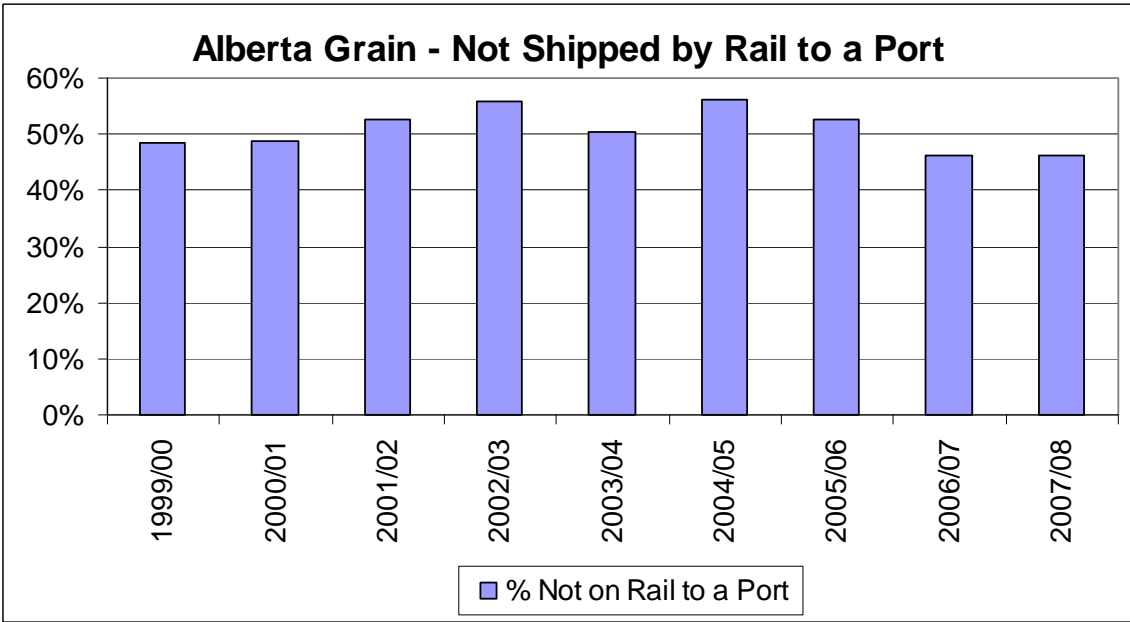
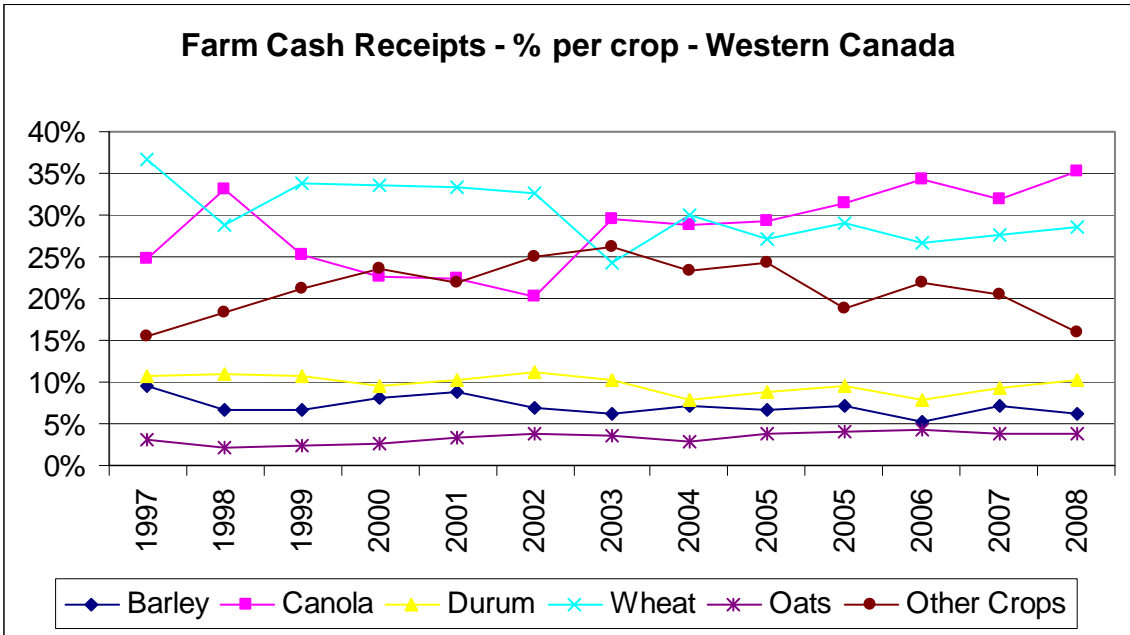
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