

Brief regarding Bill C-30

An Act to amend the Canada Grain Act and the Canada Transportation Act and to provide other measures  
(*Fair Rail for Grain Farmers Act*)



by Prairie Oat Growers Association

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GRAIN GROWERS  
OF CANADA



LES PRODUCTEURS  
DE GRAINS DU CANADA

Grain Growers of Canada

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The agriculture sector makes a tremendous contribution to the Canadian economy, and has had a historic role in the building of its infrastructure. Agriculture supports our global exports, underpins the rural economy across the country, and supplies Canadians with their food. The broad geographic distribution of farmers means they have unique needs in terms of transportation. The current failures of the grain transportation system have hit agriculture hard and affected our reputation as a reliable international supplier. The damage done has already affected the incomes of farmers this year and will echo for years to come.

The transportation crisis has affected many shippers and we in the agriculture sector want to be clear that Bill C-30 is an important interim step but must be part of a set of long term measures that address the needs of all shippers.

The sector is appreciative of the measures to get grain moving again. The Order in Council setting minimum levels of grain movement has been a step in the right direction, and Bill C-30 is the next step. The Prairie Oat Growers Association and the Grain Growers of Canada join with many other organisations in recommending a series of amendments to Bill C-30 and specific elements to be included in the subsequent regulatory package.

- Proper definition of “adequate and suitable” service (by the railways to shippers) in the common carrier obligations. Defining service as that which meets the shippers needs, addresses the capacity issue in a way that is not specified by Government, but the service provider is compelled to do what they need to in order to carry the traffic presented to them. (common carrier obligations contained in the *Canada Transportation Act* Sections 113 – 116)
- Provision for reciprocal penalties (paid between the contracting parties) within Service Level Agreements. This will increase the accountability between parties in the supply chain and hold them financially responsible to each other. This will bring a commercial framework that will drive better behavior in the supply chain (e.g. railway – grain company – producer). (to be added to CTA 169.31 (1) (b))
- Dispute resolution for liquidated damages as part of Service Level Agreements. (3 amending CGA 116.1 s.2) or add to CTA)
- Consideration for increased penalties if movement does not improve; and directing any resulting revenue to programs that support infrastructure such as the Building Canada fund. Investment in infrastructure must be a top priority for carriers and the country as a whole. Additionally, future reviews of the CTA should consider ways to foster improved capacity in all corridors. (6.1 amending CTA 116.2, 9.1 amending CTA 177 (3))

- Implementation of interswitching provisions at 160 kilometers and consider extending further in areas with unique needs or near border points. (7.1 amending CTA 128 1.1)
- The setting minimum volumes for movement by corridor. Customers of Canadian grain have demands in many geographies. Carriers must work with shippers and producers to make sure that they are met heading east, west, and south. (6. 1 amending CTA 116.2 (1))
- The input of commodity groups to set corridor minimums since these organisations are well placed to understand both long term demand and immediate production realities. Commodity groups are engaged in market development for crops and are working in partnership with the Government of Canada to enhance Canada's role as a global supplier of food. Failures of transportation are undoing these successes. (6.1 amending CTA 116. 5 and 116.7)

Bill C-30 is an important step forward and swift passage is needed. The regulatory package to follow it also needs rapid attention.

For instance, certainty is needed past 2016, when the provisions under C-30 may sunset. The planning horizon for producers, shippers, and railways must be a minimum of at least one year. As a result, the Canadian Transportation Agency should immediately begin the capacity planning exercise for the 2014/15 shipping season. Sales are being made into this time period and it is critical that shippers have an understanding of the capacity that might be available. Commodity groups need to be at this table. Planning for 2015-16 will need to follow shortly thereafter.

In addition, it is very important to begin the review of the Canadian Transportation Act as soon as possible. Long term change is needed in this system that encourages an increase in capacity – for all corridors.

Improved agricultural production is a long term trend. For Canada's economy to continue to grow, we need a transportation system that works for all agriculture and all commodities.



Prairie Oat Growers Association (POGA) is a voluntary organization of prairie oat growers established to promote the interests of oat growers and oat marketing. POGA was formed in 1998 out of the former Alberta Oat Growers Association. It consists of producers, and associate members from the handling, milling and supply sectors.

The overall objective of the organization is reflected in its mission statement:

**Our mission is to develop and support partnerships in the agricultural industry that will enhance the profitability of oats for the grower and increase its value to the customer.**

The mission statement translates into POGA activities with strong emphasis on:

- Production and agronomic research;
- Communicating research results to farmers;
- Supporting market development initiatives;
- Networking with participants in research, processing and handling;
- Representing oat growers' views in policy development and regulatory matters.

POGA, primarily through its board of directors, has developed and maintains a close working relationship with the research community that works on oats for food and for feed, and with the processors-buyers who use oats for the Canadian and U.S. food market.

POGA is organized around a board of directors that is fully reflective of its prairie-wide membership. The board of directors consists of six members from each province and a six-member steering committee from Alberta.

Each province has a vice-president who is elected at the annual general meeting, as are the president and vice-president. The head office of POGA is in Regina, SK. Since its inception, members of the board of directors have covered their own expenses and time for attending meetings and conducting most of the affairs of the organization.

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The Grain Growers of Canada is an umbrella organization with 14 provincial and regional grower groups from across the country involved in the grain and oil seed sectors. Representing over 50,000 successful wheat, durum, barley, canola, oat, corn, pea, lentil, rye and triticale farmers, the Grain Growers is well known as the national voice of Canadian grain farmers.

Our Board of Directors are full-time farmers who use modern agriculture and science every day to grow safe and healthy food. Canadian farmers work hard to make their land more sustainable, protecting the soil for future generations.

**Mission:** Pursuing a policy environment that maximizes global competitiveness of Canadian farmers.

### **What We Stand For**

The Grain Growers of Canada is devoted to representing grain farmers' interests in national policy development. At the heart of the Grain Growers' philosophy is the idea that Canadian grain farmers are efficient, competitive and want to make their living from the marketplace. We see a bright future for Canadian agriculture and will work towards an environment that encourages research into seed, value-added processing and the bio-products field.

**Our policies** are forward-looking and market-driven.

- We support research and innovation and decisions based on sound science;
- Rules-based trade liberalization that capitalizes on Canada's competitive advantage in producing grains and oilseeds; and
- Our regulatory environment should spur innovation, not hinder it.