

June 2, 2017

The Hon. Lawrence MacAulay  
Minister of Agriculture and Agri-Food  
House of Commons  
Ottawa, Ontario  
K1A 0A6  
VIA EMAIL

Dear Mr. MacAulay:

The Saskatchewan Wheat Development Commission (Sask Wheat) would like to submit the following comments to you regarding the recent discussion around changing Canada's grading system to accommodate American wheat. The recent resolution moved by Montana Senator John Tester, calling for "fair and equitable grading treatment for exports of United States wheat products to Canada" has revived important discussions surrounding wheat trade between our two nations.<sup>1</sup>

Sask Wheat is of the opinion that thorough consultations must be conducted to analyze the possible impacts of allowing more American wheat to be sold in Canada prior to any amendments to the *Canada Grains Act* that would allow for wheat of American origin to be sold above feed grade. Allowing greater amounts of American wheat into our system could have consequences on our ability to export our grain and could be very costly to Canadian farmers.

Sask Wheat strongly supports the important function that Canada's grain registration and grading system provides. Varieties that are registered and placed into specific wheat classes in Canada have been thoroughly studied to understand the characteristics of those varieties for further processing. These quality characteristics are extremely important to the end users of Canadian wheat who rely on the wheat they purchase to meet the quality standards and characteristics they have come to expect. Allowing un-registered varieties into our official grading system could significantly impact the high quality and milling characteristics for which Canadian wheat is known.

Furthermore, the impacts of allowing both registered and unregistered varieties of American-grown wheat into the Canadian primary elevator system need to be fully understood before changes are implemented. For example, what are the ramifications to our shipping agreements and how would American origin grain fit under the Maximum Revenue Entitlement (MRE) and the newly released Bill C-49, the *Transportation Modernization Act*? Also, is there a potential for railways providing preference for American grain movement over Canadian to achieve incremental volumes? These are important questions that need to be addressed before any legislative changes are made.

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<sup>1</sup> S.Res.143: A resolution supporting fair and equitable grading treatment for exports of United States wheat products to Canada.



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While there may be opportunities for modernization within the Canada Grains Act that could allow for greater opportunities for farmers and improved trade relations between the Canada and U.S., the foundation of the system must remain in place so end users of Canadian wheat continue to receive the high-quality grain they have come to expect and so the best interests of Canadian farmers are secured. Sask Wheat believes we should explore options that will both maintain Canada's strong trading relationship with the U.S. and also maintain the high-quality standards of Canadian wheat.

Sask Wheat invites you to contact us, should you have any questions regarding this submission.

Sincerely,

A handwritten signature in blue ink, appearing to read "Bill Gehl", with a horizontal line underneath.

Bill Gehl  
Chair  
Saskatchewan Wheat Development Commission

cc: Patti Miller, Chief Commissioner of the Canadian Grain Commission