



National Farmers Union
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Eastern Wheat Class Modernization
Canadian Grain Commission
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NFU Submission to Canadian Grain Commission consultation on proposed Eastern Wheat Class Modernization

The National Farmers Union (NFU) welcomes the opportunity to comment on the Canadian Grain Commission's (CGC) proposed Eastern Wheat Class Modernization

The NFU is a non-partisan, nation-wide democratic organization made up of thousands of farm families from across Canada who produce a wide variety of commodities including grains. The NFU advocates for policies designed to raise net farm incomes; promotes a food system that is built on a foundation of financially-viable family farms which produce high-quality, healthy, safe food; encourages environmentally-sensitive practices that will protect our soil, water and other natural resources; and promotes social and economic justice for food producers and all citizens.

The consultation is on the proposal to develop a Canada Eastern Special Purpose (CESP) wheat class. This class would:

- have no quality parameters
- require disease and agronomic data
- include varieties that do not fit within the parameters of any other Canadian eastern wheat classes

The NFU does not support the development of a new Canada Eastern Special Purpose (CESP) wheat class because it is unnecessary for Canadian agriculture and it has the potential to cause serious problems for farmers and the Canadian brand for wheat.

The mission of the Canadian Grain Commission, as stated on your website, is "to ensure the integrity and marketability of Canadian grain for the domestic and international grain trade, from producer to global consumer." And your mandate is "to work in the interests of grain producers. Guided by the *Canada Grain Act*, the Canadian Grain Commission works to establish and maintain standards of quality for Canadian grain, regulate grain handling in Canada, and to ensure that grain is a dependable commodity for domestic and export markets." If the proposed CESP class is introduced we believe it would be contrary to both the CGC's mission and its mandate. The proposed CESP class is essentially a "none-of-the-above" category that would open the door to all varieties that fail to meet quality parameters for the ten existing Eastern wheat classes, which would compromise Canada's reputation for high quality wheat and lead to lower prices and higher costs for farmers.

The parameters of the proposed CESP class would allow the inclusion of varieties regardless of their susceptibility to disease, and thereby introduce unnecessary risks into our agriculture system. We know that fusarium head blight is an increasingly serious issue in wheat production. Certain strains of fusarium result in high levels of mycotoxins such as deoxynivalenol (DON) also known as vomitoxin. When infection is severe the grain becomes virtually unsellable: it cannot be used for feed because of DON's serious health impacts on livestock; it is rejected by ethanol producers because the DON would remain in the dried distillers grain (spent mash), the ethanol byproduct sold as livestock feed. In Eastern Canada, wheat is usually grown in rotation with corn, which is also

susceptible to fusarium. Any increase in disease load in wheat would have a negative impact on subsequent corn crops as well.

To reduce losses from fusarium infestation, farmers apply fungicides when disease-promoting conditions are expected. Recent research by the Canadian International Grains Institute (CIGI) suggests that problems with gluten strength are linked to the use of fungicides during production. The research also shows that the impact of fungicide use on gluten strength is worse in some wheat varieties than others. The CGC is well aware that Canada's international customers are sensitive to gluten strength, as these concerns were behind the CGC's initiative to move certain varieties out of the Canadian Western Red Spring class. Therefore, it would be unwise to introduce increased risk of market loss, price discounts, and a higher incidence of gluten strength issues by creating an Eastern wheat class with no quality parameters.

The proposed CESP class would require submission of data on disease and agronomic performance of varieties. This does not mean that the varieties would have "merit" as the term is used in variety registration. Merit means that prospective varieties meet or exceed a prescribed minimum standard. The data-only requirement for CESP indicates seed developers would only need to provide scores or measures on various attributes but would not need to meet any performance threshold. Merit is a requirement for existing wheat classes. Exempting the proposed CESP class would allow the entry of varieties selected for conditions outside of Eastern Canada where crops have different disease pressures or are exposed to different strains of diseases. Resistance to emerging strains of cereal rust is a serious world-wide concern and a high priority for Canadian plant breeders. If the proposed merit-exempt CESP class is allowed to proceed, these efforts could be compromised by introducing susceptible varieties that would undermine our breeders' efforts to prevent the spread of this disease.

The data requirement for CESP varieties does not specify how agronomic and disease information would be communicated to farmers. The farmer would be placed in a "buyer beware" position. Perhaps some would take a chance on using CESP varieties where the seller claims high yields in spite of potential disease and production issues. If these farmers were lucky enough to have favourable growing conditions they might obtain a good return. If not, their gamble could potentially harm their neighbours by spreading disease, increasing crop insurance premiums for their growing region, and increasing the burden on the public purse by drawing upon Business Risk Management program funds. It would also compromise quality assurance, which would damage the interests of other farmers and the Canadian wheat brand.

The beneficiaries of a new CESP class would be limited to large agribusiness corporations. Multinational seed companies could obtain revenue by selling underperforming varieties developed for the American or European market into Canada by having them designated CESP varieties. Crop input companies could benefit from a CESP class by selling farmers more fertilizers, fungicides and pesticides to compensate for the poor agronomic performance and disease issues of these varieties. Grain companies could also benefit from CESP because this category would be sold at low prices. It could be blended with higher value wheat to reduce shipments' overall quality to the minimum specs a given customer would accept. International grain companies have an incentive to eliminate the distinction between high quality Canadian wheats and the remaining lower-quality global wheats in order to simplify their handling and marketing. CESP could easily compromise Canada's long-standing reputation for quality, which would quickly downgrade prices for all of our wheat exports regardless of class. This class could potentially cause Canada to lose some export markets since there are many countries selling mid-protein wheat for less than we do because their growing areas are closer to port and thus have lower transportation costs.

The NFU therefore recommends that the CGC honor and uphold its mission to ensure the integrity and marketability of Canadian grain and its mandate to work in the interests of grain producers by not developing the proposed CESP wheat class.

Respectfully submitted by

The National Farmers Union