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Bill C-30: Amendment to the *Canada Grain Act* (Regulations sections 29.2 and 29.3) and Contracts between Producers and Licensees of the Canadian Grain Commission

As of August 1, 2014, all grain contracts between a licensed company and a producer that contain a defined delivery period must include provisions that establish a penalty to be paid in respect of failure to accept contracted grain during the stated delivery period. These regulations do not apply to contracts signed before August 1st 2014 or to existing contracts that contain extension clauses beyond August 1, 2014.

The *Canada Grain Regulations* are not prescriptive in terms of penalty amounts, method or type of payment. This will allow licensees and producers the opportunity to negotiate transparent, flexible and balanced commercial agreements that set out the contractual obligations for both parties.

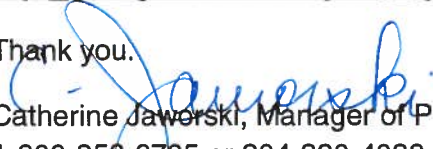
In contracts where there is an extension provision included and agreed to by the producer, penalty provisions only apply once the extension provision has ended.


Any contract signed after August 1, 2014 that does not contain a penalty clause related to failure to accept delivery during a specified delivery period will need to have a penalty clause that is agreed to by both parties added to the contract prior to the start of the delivery period.

In the event that a producer's grain is not accepted in the defined delivery period and a solution cannot be arrived at between the two parties, either party may contact the Canadian Grain Commission and make a request in writing to have the dispute arbitrated.

The amendments to the *Canada Grain Regulations* were registered on July 31, 2014. The amendments are available on the Canadian Grain Commission's web site <http://www.grainscanada.gc.ca/legislation/regulation-reglement/cgrm-mrgc-eng.htm>

Thank you.


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