

For immediate release

May 14, 2010

Report on Producer Payment Security Mechanisms Released

The Steering Committee investigating options for Producer Payment Security Mechanisms released the second and final report by Scott Wolfe Management Inc., the consulting firm hired to conduct the research. The objective of the second phase of the project was to continue to evaluate payment security options as a result of the potential changes to the Canada Grain Act affecting the payment security program under the Canadian Grain Commission, and to more specifically, identify and assess the potential expanded utilization of insurance (payables and receivables) and /or fund-based approaches to provide payment security to growers once they have delivered their product. Four options, including the current system, were studied. The following models were included: security-based, insurance-based, fund-based, and, to a lesser extent, clearinghouse.

The Steering Committee includes representatives from general farm organizations, commodity groups and a trade association. Agriculture and Agri-Food Canada through its Private Sector Risk Management Partnerships Program provided funding for the study. Steering Committee members contributed their time and financial resources to the project.

The organizations involved in the committee will now seek feedback from their membership. This will include what the next steps will be in further developing one or more of the options, including continued refinement of the current payment security program.

The English report is attached and the French version is also available.

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