

MEMORANDUM OF UNDERSTANDING

BETWEEN

**THE CANADIAN GRAIN COMMISSION OF
AGRICULTURE CANADA**

AND

**THE FEDERAL GRAIN INSPECTION SERVICE OF THE
UNITED STATES DEPARTMENT OF AGRICULTURE**

The Canadian Grain Commission (CGC) and the Federal Grain Inspection Service (FGIS) of the United States Department of Agriculture have reached the following general understanding which they intend should provide a framework for cooperation:

1. The CGC is responsible under the Canada Grain Act for the establishment and maintenance of standards of quality for Canadian grain and for the regulation of the handling of Canadian grain to ensure a dependable commodity for domestic and export use markets.
2. The FGIS is responsible for the administration of the United States Grain Standards Act. A part of FGIS' responsibility under the Act is to perform voluntary inspection and weighing services of U.S. export grain in Canadian ports; i.e., Canadian transfer elevators.
3. The FGIS and CGC have certain related objectives in performing their responsibilities. This Memorandum of Understanding discusses the conditions under which FGIS official personnel intend to inspect U.S. export grain in Canadian elevators, the conditions under which CGC official personnel intend to inspect Canadian grain in elevators in the United States, and the working relationships between the CGC and FGIS.

FEDERAL GRAIN INSPECTION SERVICE

4. The FGIS may station FGIS employees in Canadian ports to perform, upon request, the following services in Canadian transfer elevators handling U.S. export grain:
 - A. Perform stowage examinations on carriers receiving U.S. grain;
 - B. Inspect for grade according to the United States Standards for Grain;
 - C. Analyze U.S. wheat for protein content;
 - D. Sample U.S. grain for phytosanitary inspections; and
 - E. Perform official weighing under the United States Grain Standards Act.

5. The FGIS and its employees will not inspect, weigh, or perform any other services in Canada other than for U.S. grain in Canadian transfer elevators.

6. The FGIS may request the CGC to provide sampling, inspection, and weighing personnel as needed to assist the FGIS in performing its inspection services of U.S. export grain in Canadian transfer elevators.

7. As permitted by the applicable United States laws and regulations, the FGIS intends to pay the CGC, at rates established by the CGC, for any sampling, inspection, and weighing assistance provided by the CGC.

8. The FGIS may, upon the request of the CGC and subject to FGIS' operational requirements, provide sampling, inspection, and weighing assistance to CGC employees in carrying out their responsibilities with respect to Canadian grain in elevators in the United States.

9. The FGIS intends to discuss with the CGC proposed changes to FGIS' regulations and policy where such changes will affect the sampling, inspection, and weighing assistance provided by the FGIS and the provisions for inspection and weighing services in the United States by the CGC.

CANADIAN GRAIN COMMISSION

10. The CGC may station CGC employees or agents appointed by the CGC at ports in the United States to perform the following services in elevators situated in the United States handling Canadian grain:
 - A. Perform stowage examinations on carriers receiving Canadian grain;
 - B. Perform official inspections in accordance with the Canada Grain Act;
 - C. Analyze Canadian grain for non-visual factors which reflect end-use quality;
 - D. Sample Canadian grain for phytosanitary inspections; and
 - E. Supervise weighing in accordance with the Canada Grain Act.

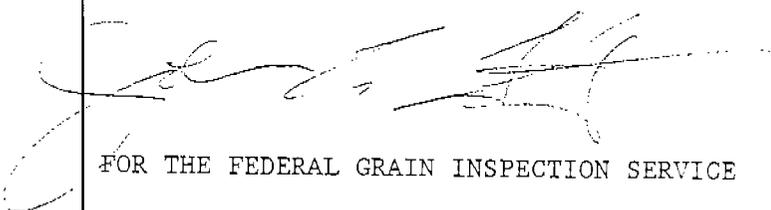
11. The CGC and its employees will not inspect, weigh, or perform any other services in the United States other than for Canadian grain in elevators situated in the United States.
12. The CGC may request the FGIS to provide sampling, inspection, and weighing personnel as needed to assist the CGC in performing its inspection services of Canadian grain in elevators situated in the United States.
13. As permitted by the applicable Canadian laws and regulations, the CGC intends to pay the FGIS, at rates established by the FGIS, for any sampling, inspection, and weighing assistance provided by the FGIS.
14. The CGC may, upon the request of the FGIS and subject to CGC's operational requirements, provide sampling, inspection, and weighing assistance to FGIS employees in carrying out their responsibilities with respect to U.S. export grain in Canadian transfer elevators.
15. The CGC intends to discuss with the FGIS proposed changes to CGC regulations and policy where such changes will affect the sampling, inspection, and weighing assistance provided by the CGC and the provisions for inspection and weighing services in Canada by the FGIS.

GENERAL

16. It is further understood that:

- A. Both agencies intend to maintain close working relations with each other in matters relating to the provision of voluntary FGIS inspection and weighing services for U.S. export grain in Canadian transfer elevators and inspection and weighing services for Canadian grain in port elevators in the United States.
- B. Nothing in this Memorandum modifies existing agreements or precludes the agencies or their respective governments from entering into separate agreements setting forth procedures for special programs which can be handled more efficiently or expeditiously by such special agreements.
- C. Nothing in this Memorandum is intended to create any domestic or international legal obligations binding on either agency.
- D. Each agency intends to cooperate with the other and with industry in the improvement of the safety of grain handling facilities and on improvement of inspection activities.
- E. Activities undertaken pursuant to this Memorandum will be in accordance with the applicable domestic laws of Canada and the United States.

- F. The provisions of the Memorandum may be modified at any time by mutual consent of the agencies.
- G. This Memorandum will come into effect on the later of the dates of its signature and will continue until terminated by mutual consent of the agencies hereto or by either agency giving written notice to the other agency 30 days in advance of such termination.

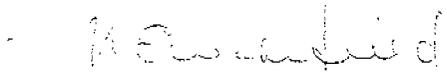


FOR THE FEDERAL GRAIN INSPECTION SERVICE

Place of Signature Washington, D.C.

Date October 7, 1991

John C. Foltz, Administrator



FOR THE CANADIAN GRAIN COMMISSION

Place of Signature Washington, D.C.

Date October 7, 1991

Milton Wakefield, Chairman