

Grain Farmers of Ontario

Legal Standing of District Grain Committees

Grain Farmers of Ontario is a commodity organization created under the Farm Products Marketing Act in 2010. Our structure is defined by Ontario Regulation 484/09. Grain Farmers of Ontario's 15 District Grain Committees are established within section 5 of the Act.

The functions of a District Grain Committee are described within section 7. (9) as follows:

1. It may advise the local board on matters related to the production and marketing of grain.
2. It may facilitate the exchange of information between producers in the district and the local board and serve as a liaison between them.
3. It may engage in local initiatives that stimulate, increase or improve the production or marketing of grain in a manner that is consistent with the local board's strategic plan.

Grain Farmers of Ontario, referred to as the local board within the Act, supports the function of the Districts with an Annual District Grant payment. As of 2023, this grant is \$10,000 per calendar year. The Grant is paid on a reimbursement basis and any unused funds cannot be carried forward.

Grain Farmers of Ontario operates as a not-for-profit body corporate; and because our organization was formed by regulations under the Act, we are not a business in the normal sense. For example, we can face added levels of scrutiny in areas such as banking and insurance coverage.

This business structure also creates limitations on the legal standing and operational ability of Districts. Districts only exist as a subset of the local board within the regulations, they are not a separate entity, and cannot be considered a business or corporation.

These limitations include but are not limited to:

1. Grain Farmers of Ontario had to assist in the establishment of bank accounts for several Districts. This allows Districts to control their finances on a regional basis.
2. Activities carried out by a District must align with Grain Farmers of Ontario's overall mission, vision, and values and strategic direction. All activities are also subject to Board oversight.
3. Districts are not legally able to own physical assets, such as land, buildings, trailers, or other vehicles. Registered ownership of an asset falls to Grain Farmers of Ontario even if the asset was paid for by a District.
4. Grain Farmers of Ontario is responsible for all insurance coverage for any assets and is responsible for providing certificates of insurance to meet the contractual needs for liability insurance at events operated by a District.
5. District Grant requests and payments are subject to review by staff and may require Board approval.