

# Cost Estimate of Election Campaign Proposal

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Short title: Distribute accumulated surplus of the Canadian Grain Commission Revolving Fund to grain producers

Description: This policy would distribute the accumulated surplus of the Canadian Grain Commission Revolving Fund to grain producers.

Operating line(s): Direct Program Spending Transfers

Data sources:	<u>Variable</u>	<u>Source</u>
	Canadian Grain Commission Revolving Fund	Public Accounts of Canada 2017-18
	Canadian Grain Commission Forecasted Financials	2019-20 Future-Oriented Statement of Operations

Estimation and projection method: According to the 2017-18 Public Accounts, the Canadian Grain Commission Revolving Fund reported an accumulated surplus of \$128 million as of March 31, 2018.

According to its 2019-20 Future-Oriented Statement of Operations, the Canadian Grain Commission is forecasting to request \$5.8 million in total statutory appropriations in 2018-19 and 2019-20 which we assumed will be sourced from the Revolving Fund. Therefore, we estimate that the Revolving Fund will have a surplus of \$122.2 million as of March 31, 2020. We assumed that this amount is distributed to producers on April 1, 2020.

We assumed that planned investments under the Canadian Grain Commission's Surplus Investment Framework will be cancelled for 2020-21 and any costs associated with this can be absorbed internally.

We also assumed that any legislative changes will be made (if necessary) to allow for the surplus to be distributed to grain producers through lump sum payments, fee reductions or alternative mechanisms.

Uncertainty assessment: The estimate has low uncertainty. The future value of the accumulated surplus depends on the financial performance of the Canada Grain Commission for 2018-19 and 2019-20 which has not yet been made public.

### Cost of proposed measure

\$ millions	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029
Total cost	-	122	-	-	-	-	-	-	-	-

Notes:

Estimates are presented on an accruals basis as would appear in the budget and public accounts.

Positive numbers subtract from the budgetary balance, negative numbers contribute to the budget balance.

"-" = PBO does not expect a financial cost