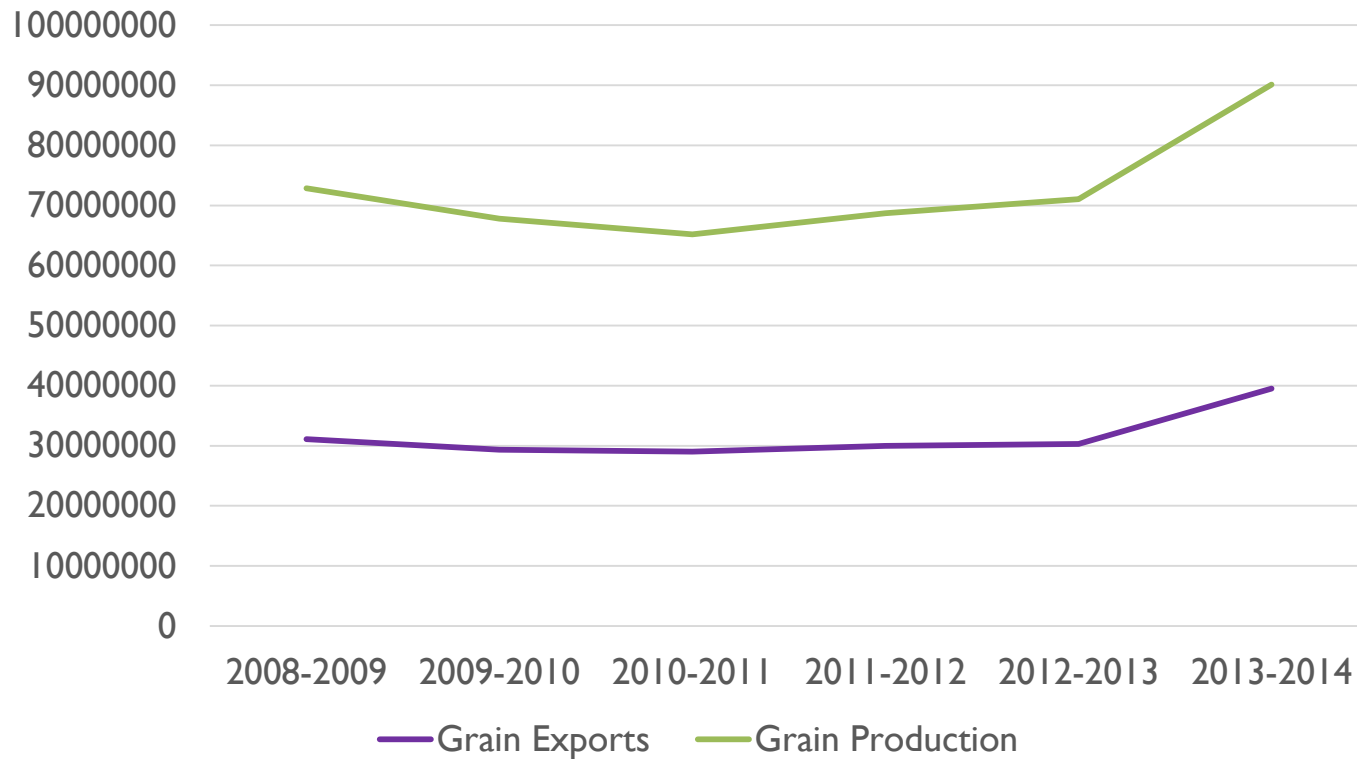


Oat Transportation Issues

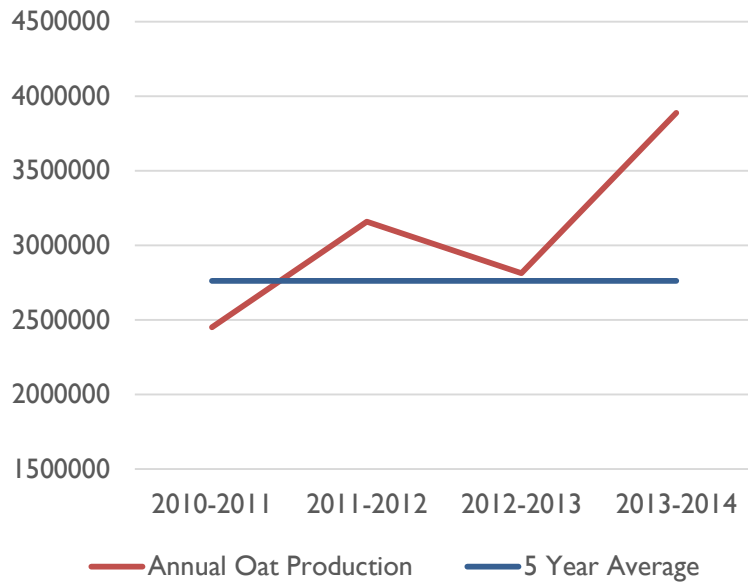
Situation Report – 2013/14 Final

Total Canadian Grain Exports Versus Production
Source: Statistics Canada

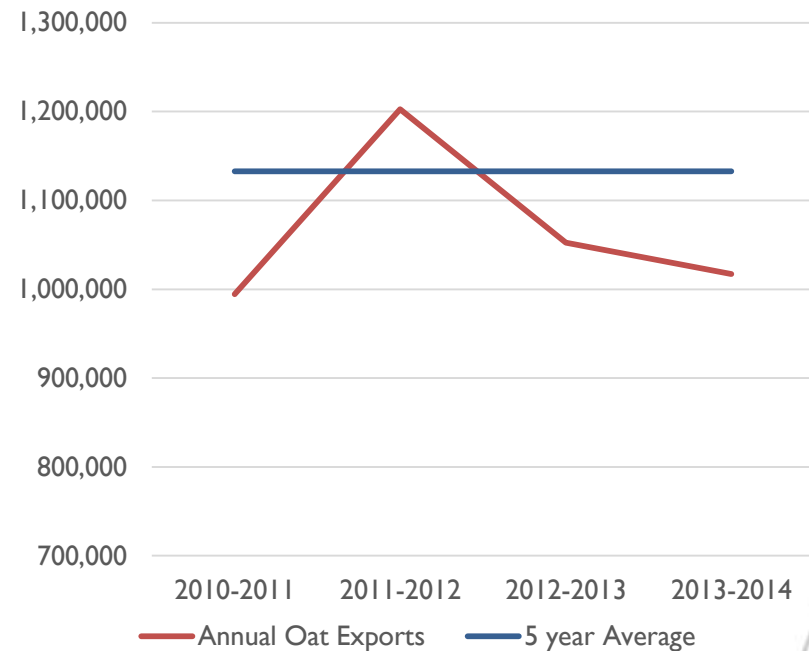


Situation Report – 2013/14 Final

Total Canadian Oat Production
Source: AAFC Outlook for Principal Field Crops

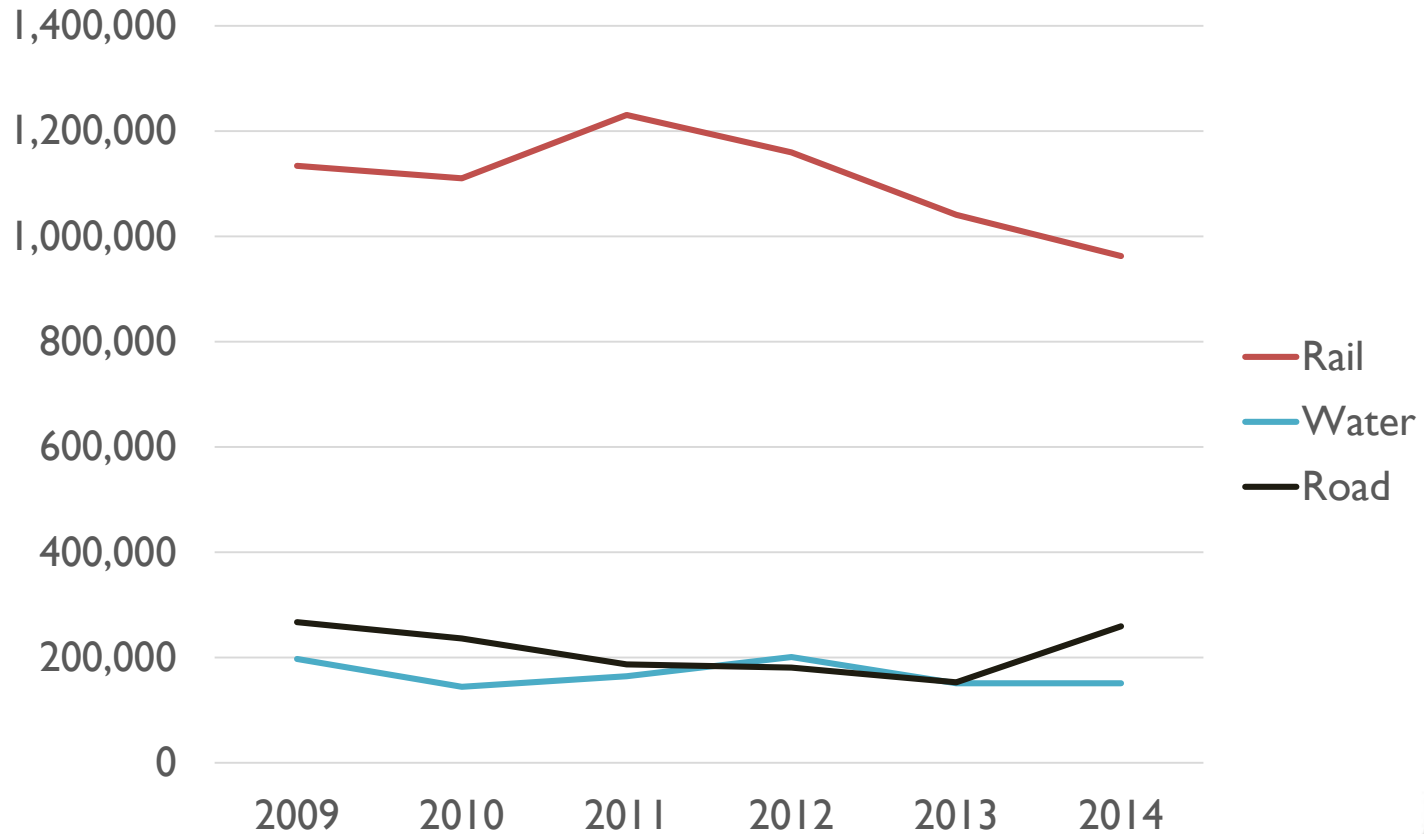


Total Canadian Oat Exports
Source: CGC Grain Statistic Weekly



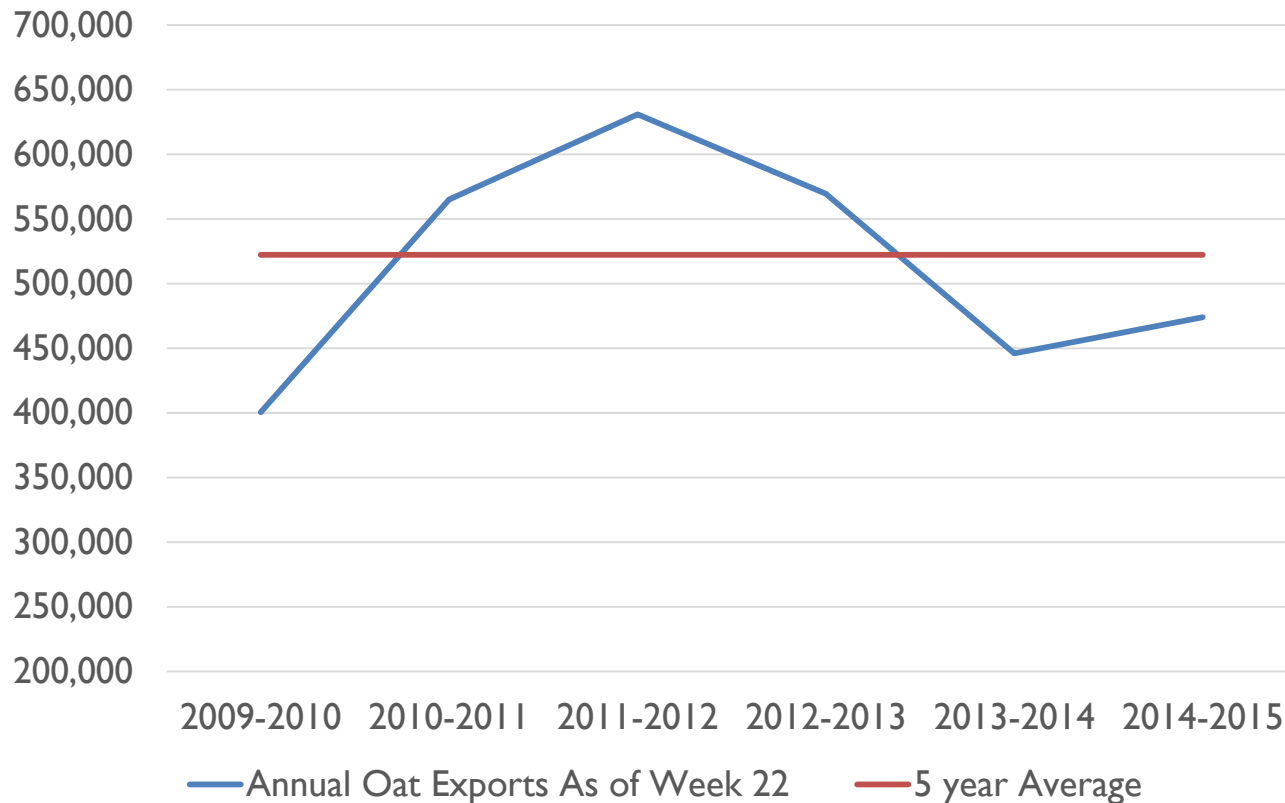
Situation Report – Modal

Canadian Oat Exports to the US By Mode (In Tonnes)



Situation Report – 2014/15

Annual Oat Exports As of Week 22
(Week ending January 4th)



Oat Futures by Month 2010-2015

ZO - Oats - Monthly Continuation OHLC Chart



Minimum Grain Movement Levels

Time period	Metric tonnes per week
Nov. 30, 2014 to Dec. 20, 2014	345,000
Dec. 21, 2014 to Jan. 3, 2015	200,000
Jan. 4, 2015 to Feb. 21, 2015	325,000
Feb. 22, 2015 to Mar. 21, 2015	345,000
Mar. 22, 2015 to Mar. 28, 2015	465,000

CTA Review Submission

- Document developed over multiple drafts
- Outlines positions on a number of issues, and provides background information
- 27 pages long
- Submitted to the CTA Review Secretariat in December

CTA Review Submission

5 Year Forecast

- Consultations with all rail transportation stakeholders held every 5 years
- Include consideration of expected production, capacity strains, and
- Result in the creation of grain movement targets
 - By Commodity
 - By Sector
- Reviewed annually by the agency

CTA Review Submission Tiered Response Program

30% Above Target: Increase Revenue Entitlement

Grain Movement: Normal Market

10% Below Target: Hybrid Car Allocation Model

20% Below Target: Allocation Dispute Arbitrator

30% Below Target: Mandatory Movement Levels

CTA Review Submission Tiered Response Program

- Based on the movement targets established by the 5 year forecast
- Establishes measures to be taken in the event of movement falling below targets
 - On Target: Open market environment
 - 10% Below Target: Car Allocation switched to hybrid 30% open market, 70% historical
 - 20% Below Target: Arbitrator will step in and handle car allocation disputes
 - 30% Below Target: Re-establish minimum movement levels similar to those presently in place

CTA Review Submission Tiered Response Program

- In the event that movement levels rise 30% above the target...
- An increase in the maximum revenue entitlement for railways exceeding the target, with the increase scaling with the performance.

CTA Review Submission Monitoring

- Comprehensive overhaul of the rail information monitoring system
- Remove the asymmetrical relationship between shippers and railways in dispute situations
- Agency should collect waybill samples, as they do in the US
- Improve reporting on traffic to the US
 - Improvements in both **Commodity** and **Corridor** data

CTA Review Submission Revenue Entitlement

- Costing Review
- Incentives for performance above the targets established in the 5 year cycle of planning

CTA Review Submission

Commodities and Corridors

- The public information on cross-border rail traffic is dramatically insufficient
- Waybill samples for cross-border traffic should be collected and made available to the public
- Reporting on railcars sent across the border should include complete information, including final destinations

CTA Review Submission Service Level Agreements

- Adopt CRS Proposals
 - Definition of Adequate and Suitable
 - Remove “operational” from “operational term”
 - Create mechanism for shippers to determine if a breach of service agreement has occurred
 - The requirement that complaints against railways include multiple shippers be lifted
 - Allow shipper to frame the matter of dispute
 - Remove consideration of railway company’s network
- Establish a multi-party Final Offer Arbitration process

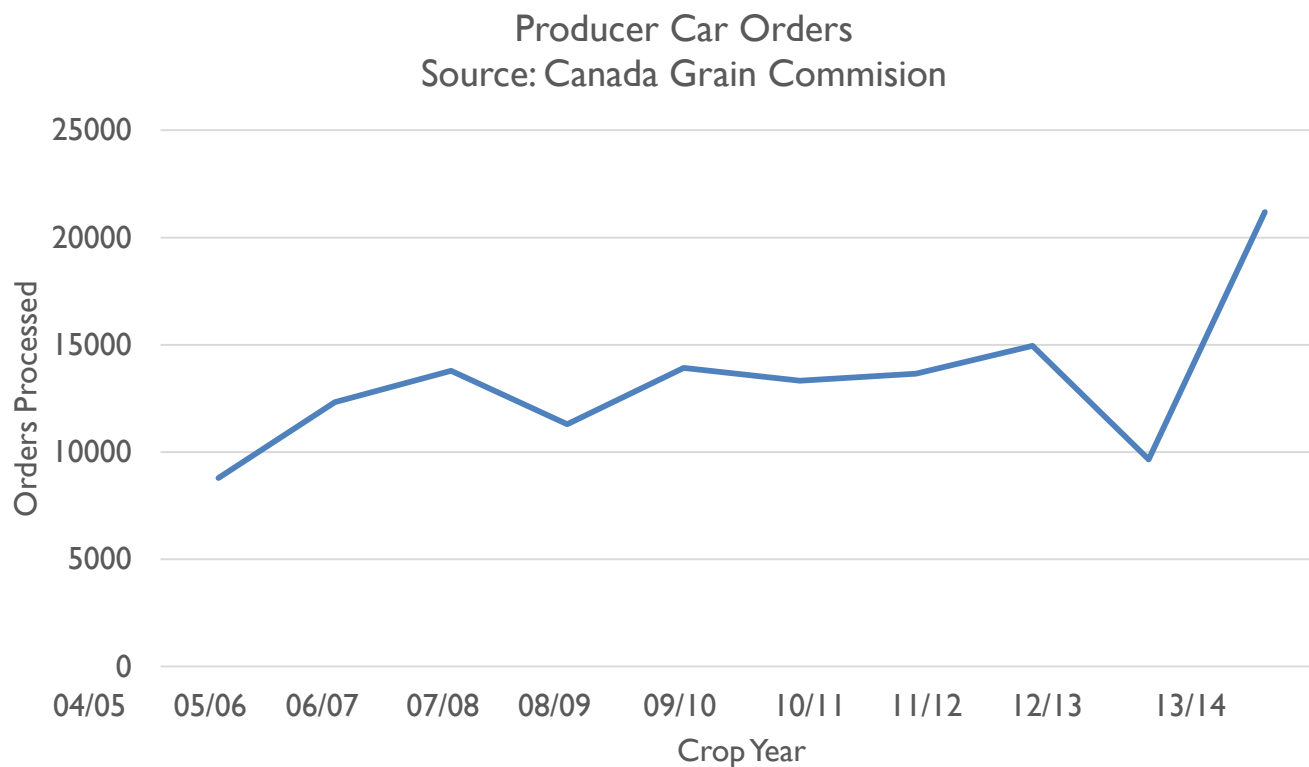
CTA Review Submission

Producer Cars and Fostering Small Volume Shipments

- Allow for the creation of boutique producer car operations
 - Allow these organizations to introduce private cars into the system
- Priority be given to producer car orders of 10 or more cars at one destination at one time
- Create arbitrator assigned specifically to producer car shipments of 50 cars and below
- Equity in the system for shipments of 25 cars and under

CTA Review Submission

Producer Cars and Fostering Small Volume Shipments



CTA Review Submission

Other Recommendations

- Keep increased interswitching distance
- Allow for twinned railways in national parks
- Increase hours of operation in ports of Vancouver and Montreal
- Re-establish Public Interest test in the act

Call to Action!

POGA believes that the Canadian rail system should be

Fair

Responsive

Efficient

Transparent



www.emerging ag.com

robyne@emerging ag.com +1-204-227-4611