

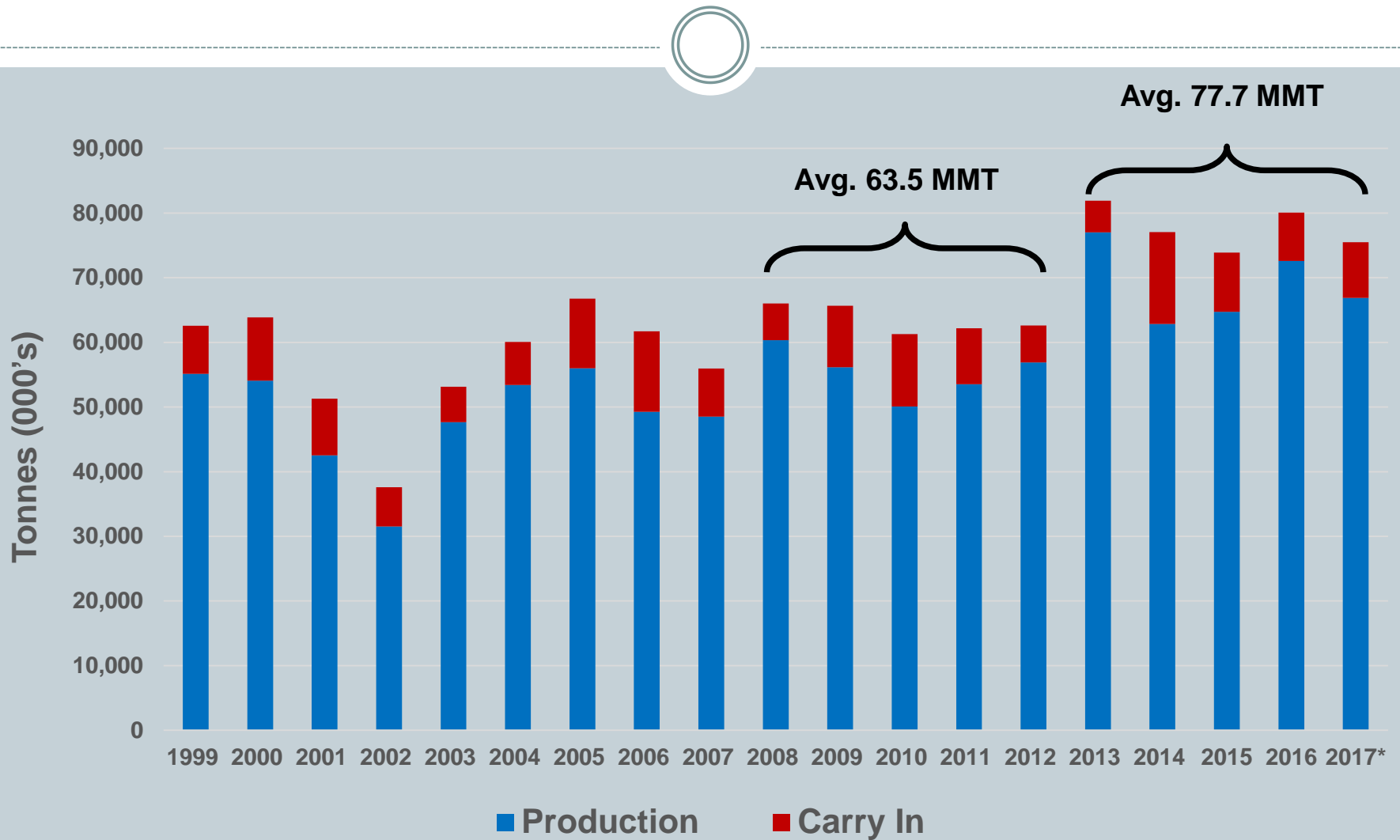


The Western GHTS – Current Review

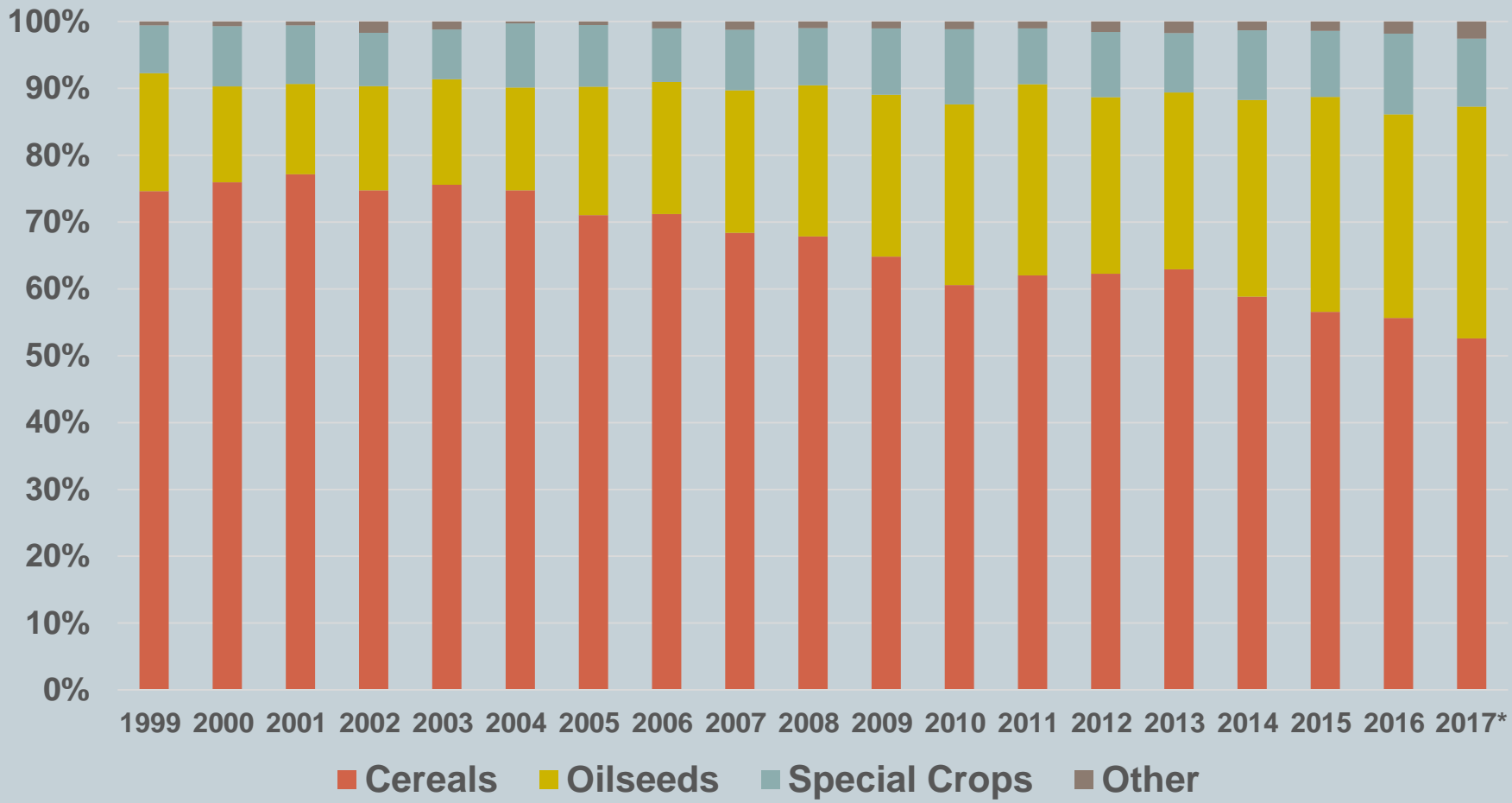
POGA
December 7, 2017



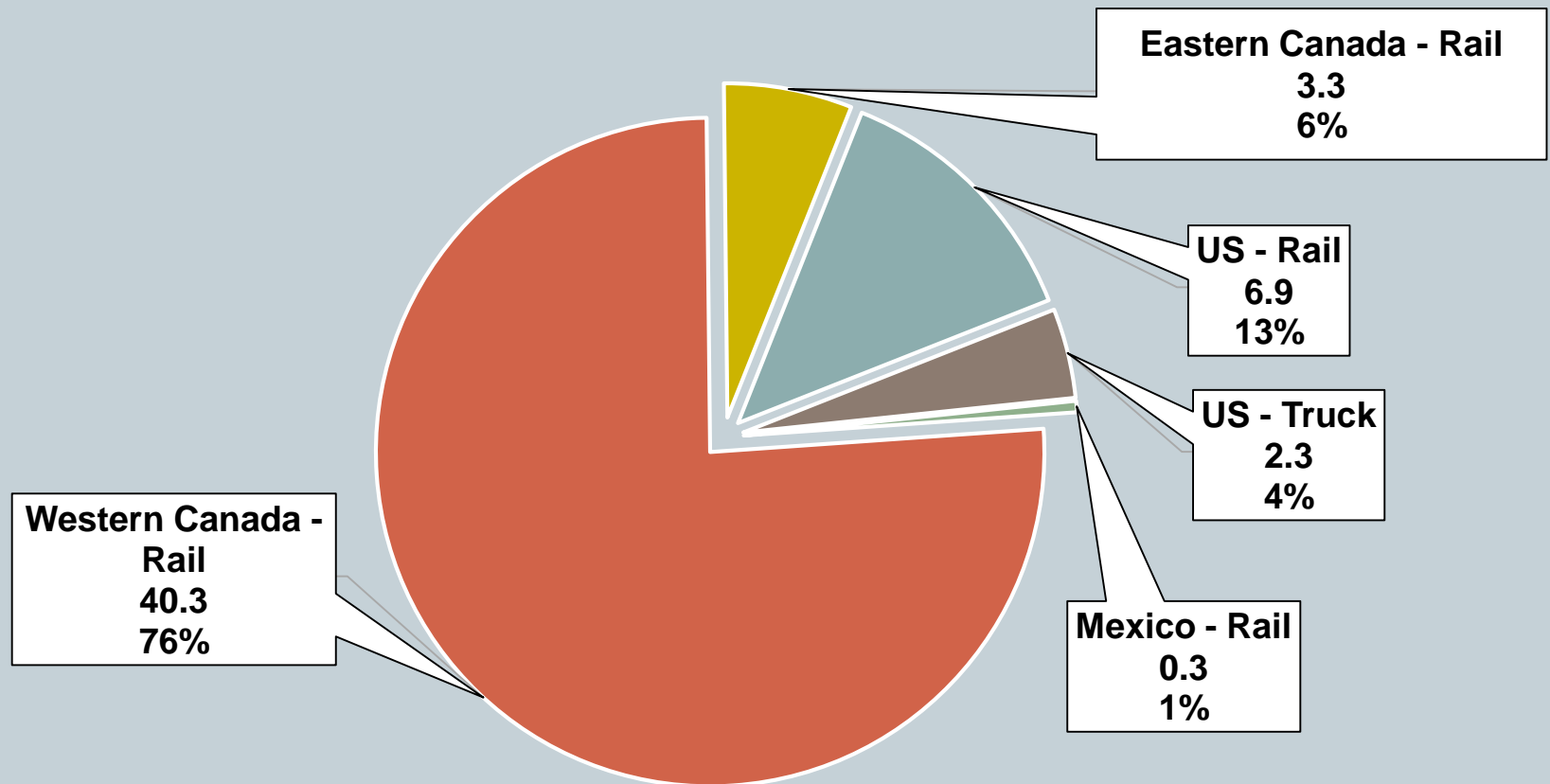
Total Supply *(Western Canada Production and Carry-In Stock)*



Production – Changing Commodity Mix



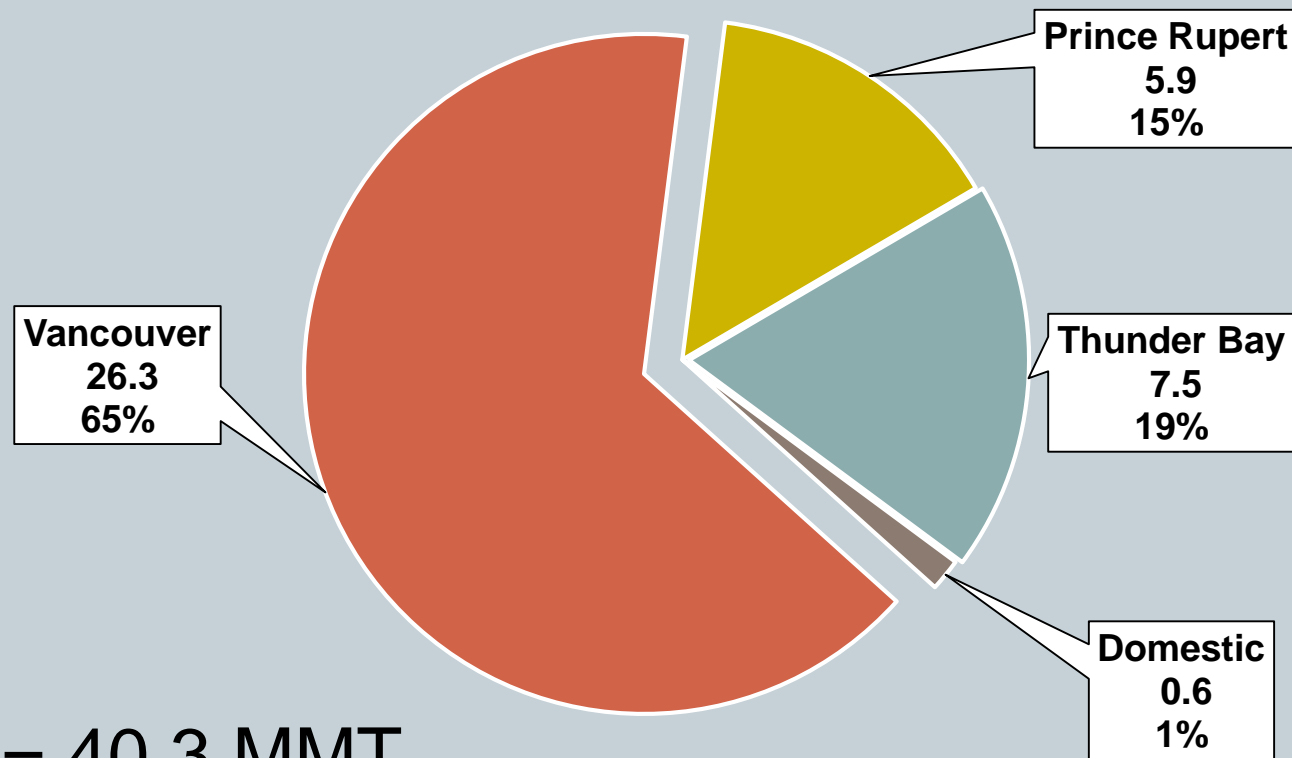
Where Does Western Grain Go? (2016-17)



Total = 53.1 MMT

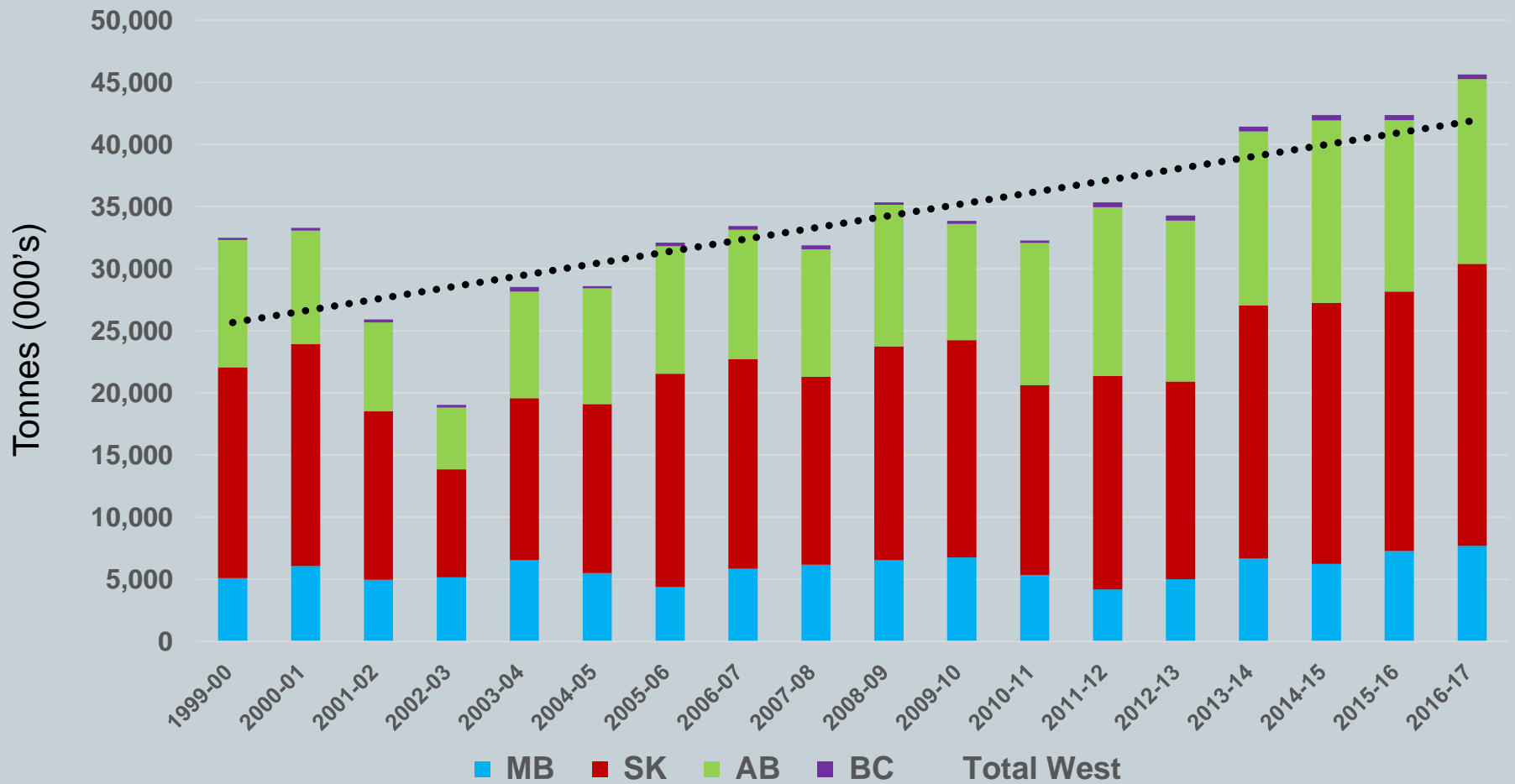


Western Canada Rail Traffic (2016-17)



Total = 40.3 MMT

Shipments from Country Elevators



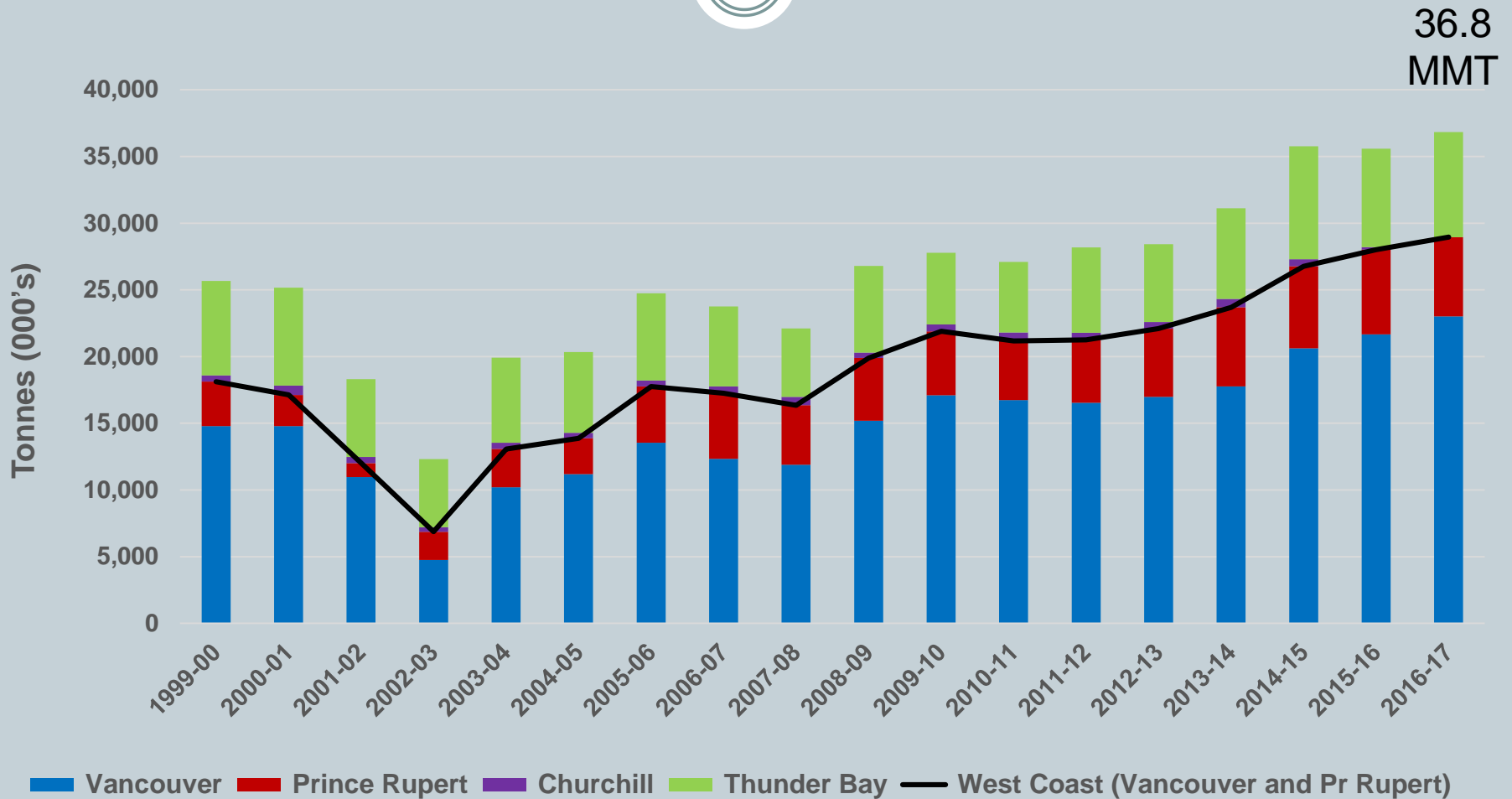
2016-17 Record Movement!



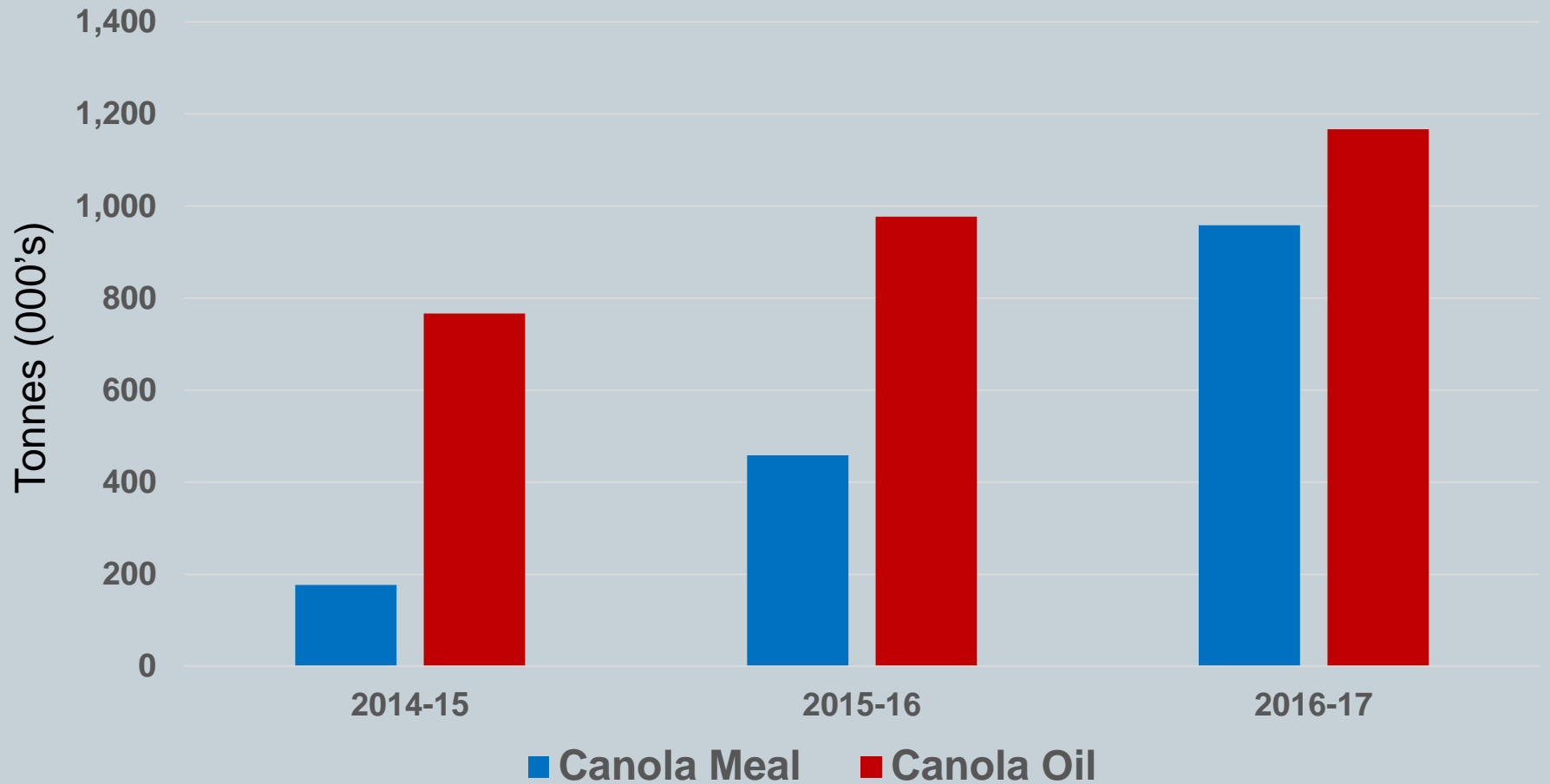
- **Primary Elevator Shipments 45.6 MMT**
 - 7.7% greater than 2015-16 & 2014-15 (42.4 MMT each year)
- **Western Canada Originated Rail Traffic 50.7 MMT**
 - 5.0% greater than 2015-16
- **West Coast (Van & PR) Bulk Shipments 36.8 MMT**
 - 3.3% higher than 2015-16; 8.2% higher than 2014-15
- **Q1 2017-18 Primary Elevator Shipments 11.7 MMT**
 - 2.6% greater than Q1 2016-17
 - Canola & soybeans up; peas & lentils down
 - ✦ India: record pulse production; fumigation requirements



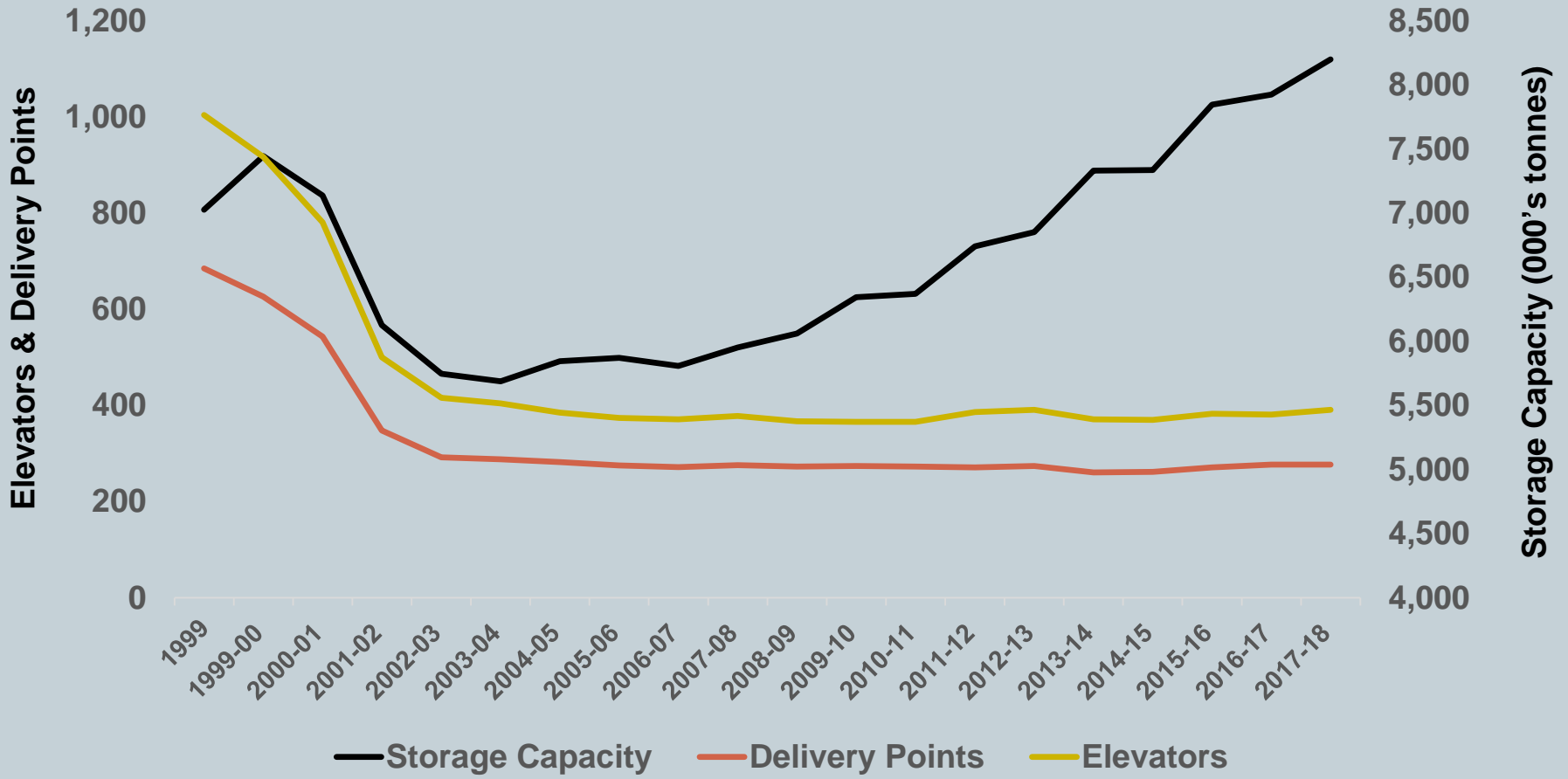
Shipments from Western Ports (bulk)



Canola Meal & Oil Rail Shipments - Vancouver



Capacity in Country (Primary & Process Elevators)



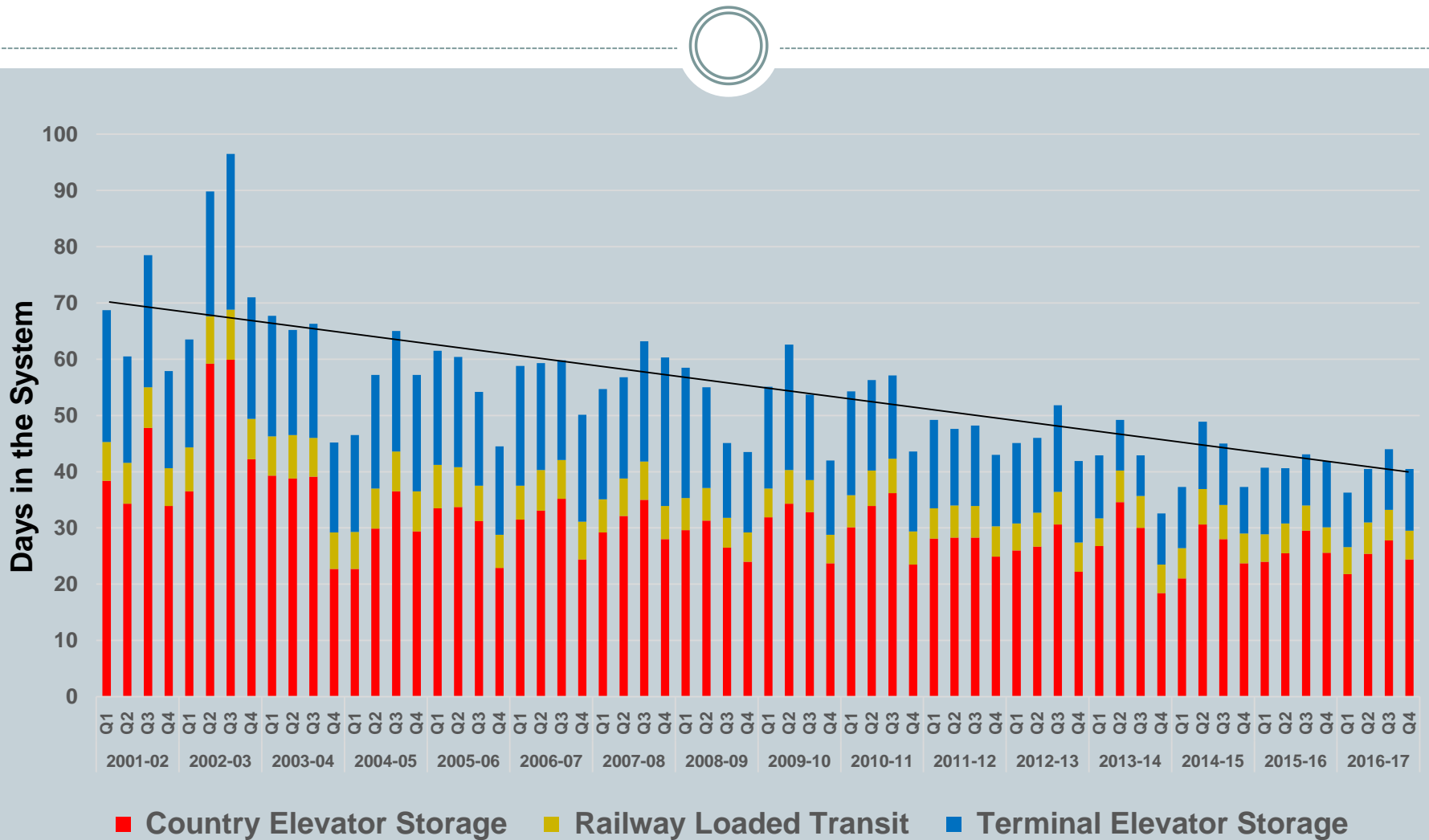
Investment in Capacity Continuing



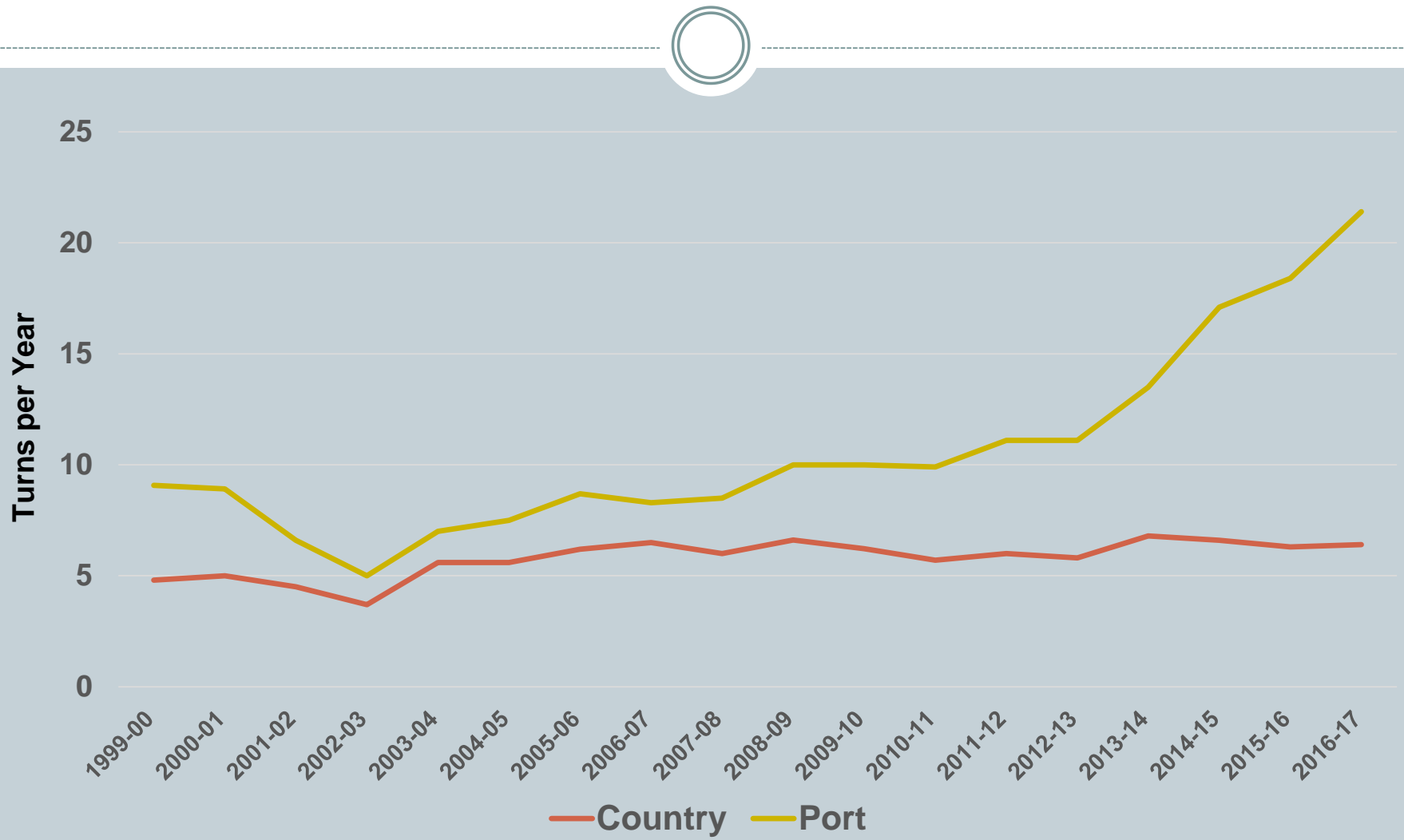
- **Country Elevators – 8.2 MMT of Storage Space**
 - GrainsConnect – licensed first of four high-throughputs Oct. 30th
 - ✦ Planning to build at Redford, SK and Vegreville & Huxley, AB
 - G3 construction at Melville and Saskatoon (Mar 28th announcement)
 - Viterra new-build at Vegreville, AB
 - Paterson Grain at Bowden, AB
 - P&H at Viking, AB
- **Loop Tracks – minimum 130-car capacity**
- **West Coast**
 - G3 – North-Shore terminal under construction
 - P&H – Frazer Surrey Dock proposal
 - Fibreco – proposed North Shore terminal
 - Ray-Mont Logistics – Prince Rupert transload facility opened



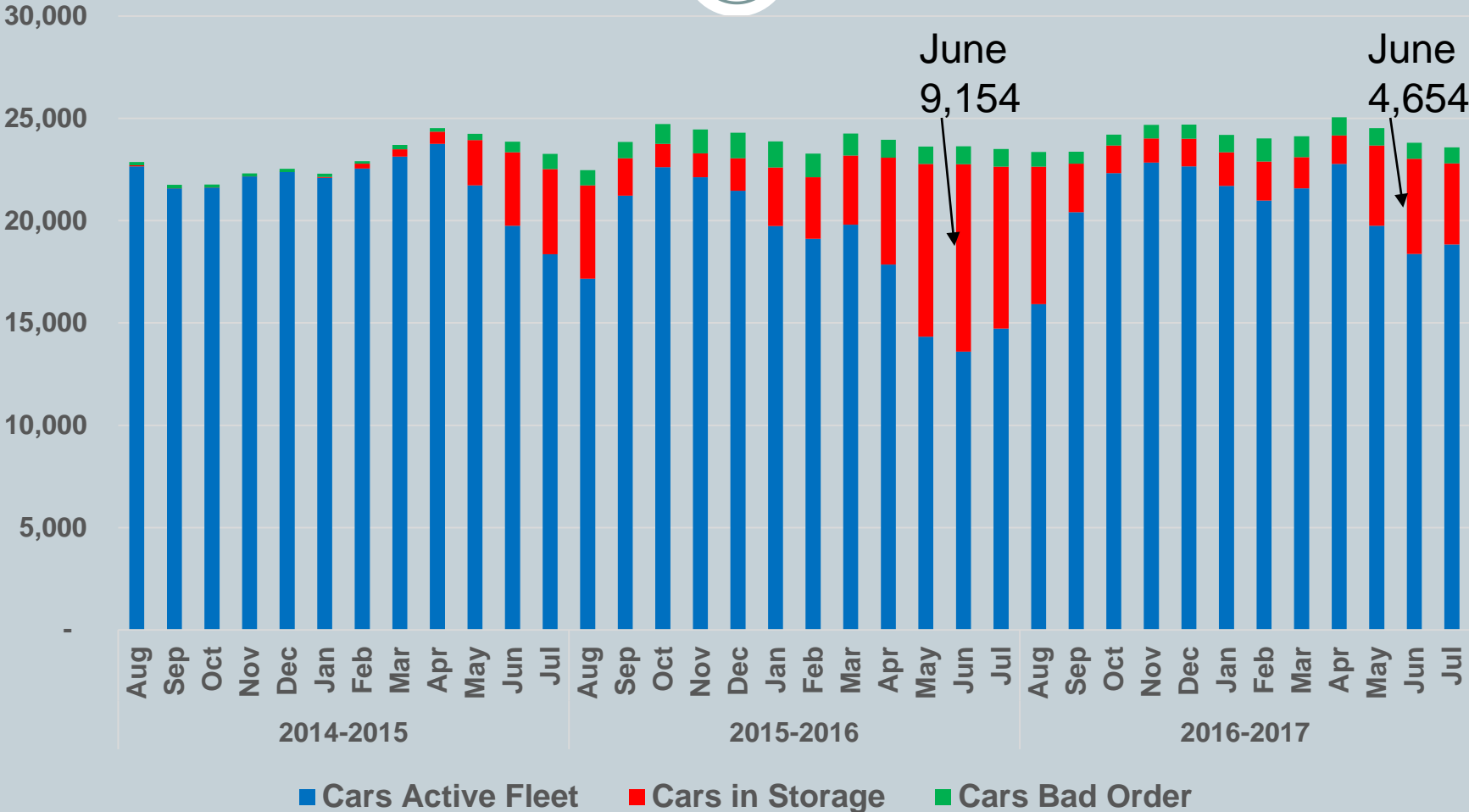
Average Time in the System - Days



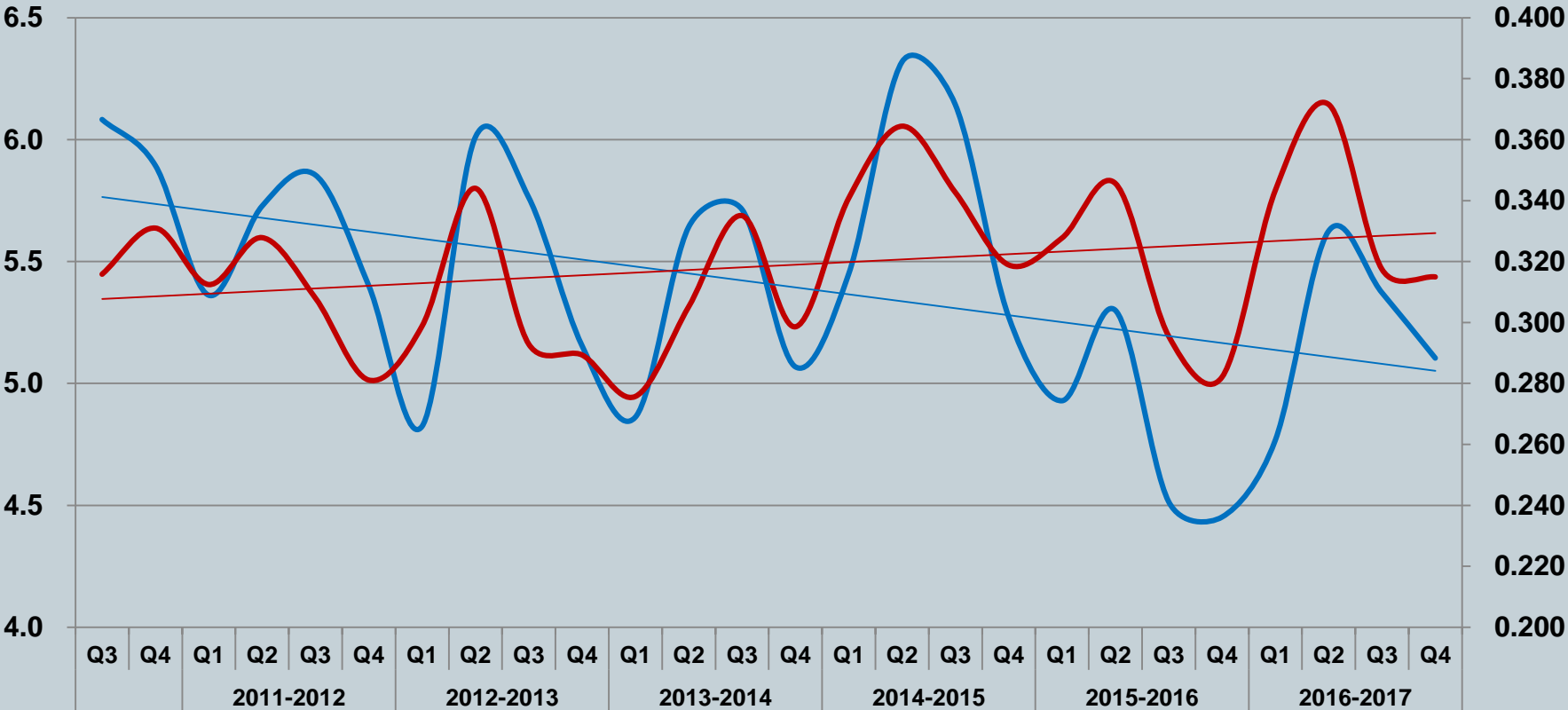
Average Country and Port Terminal Turnover Ratios



Railcar Fleet Size – number of cars



Loaded Transit Time

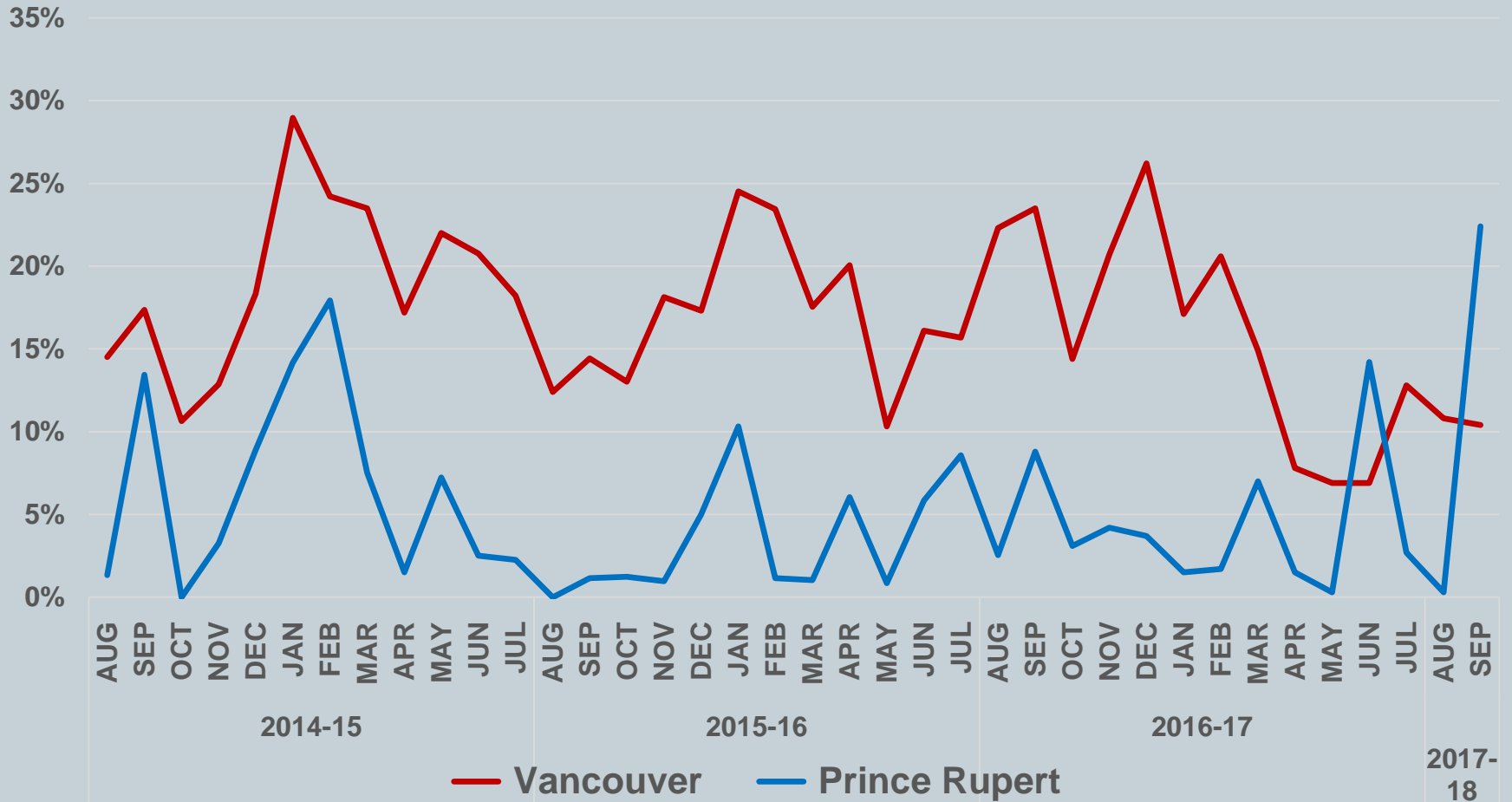


— Loaded Transit Time (days)
— Linear (Loaded Transit Time (days))

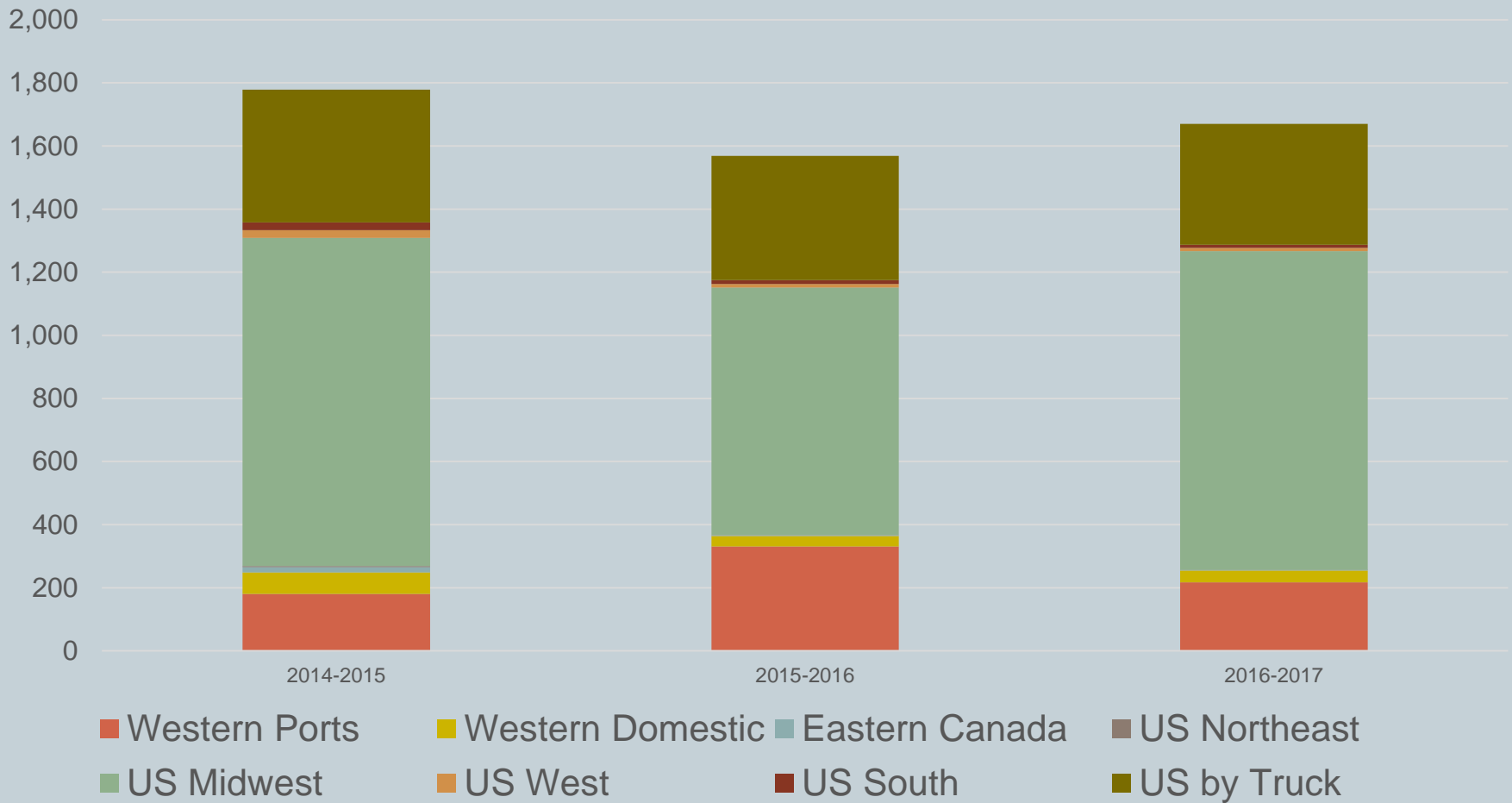
— Coefficient of Variation
— Linear (Coefficient of Variation)



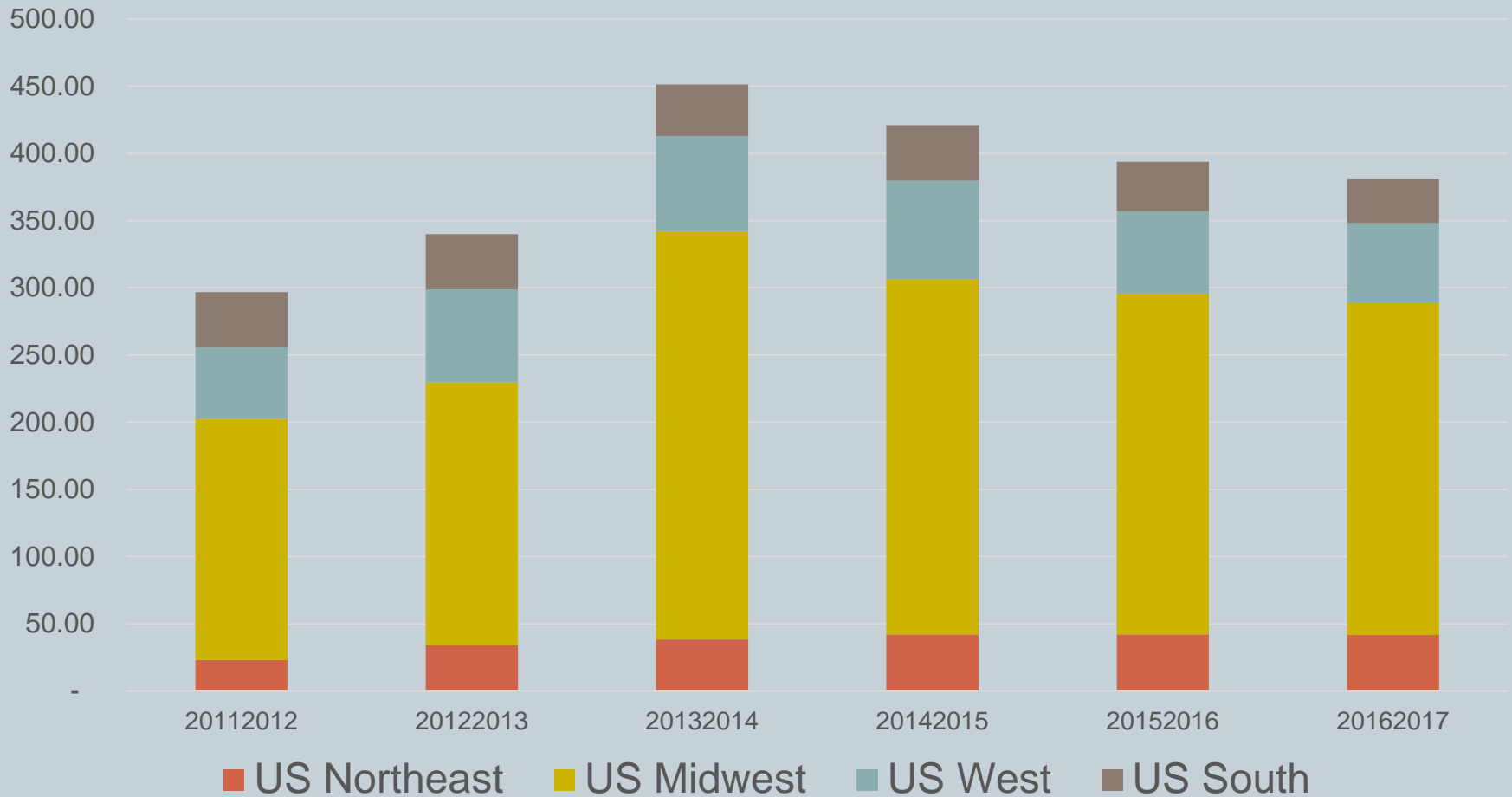
Terminal “Out-of-Car Time”



Total Oats Movement (Rail and Truck)

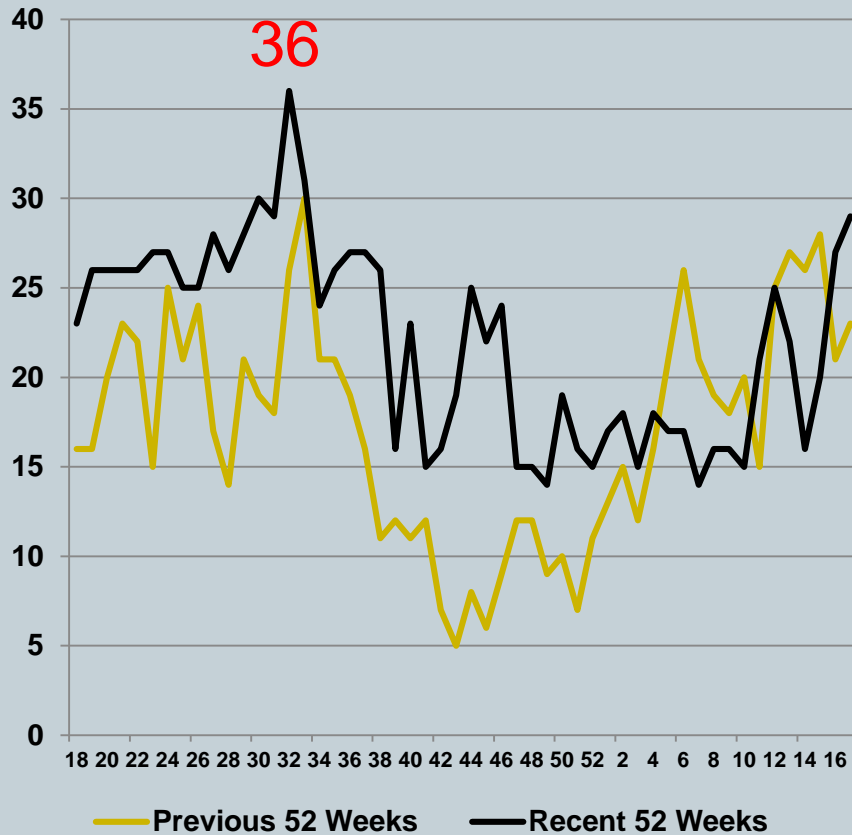


Oats by Truck to US Destinations

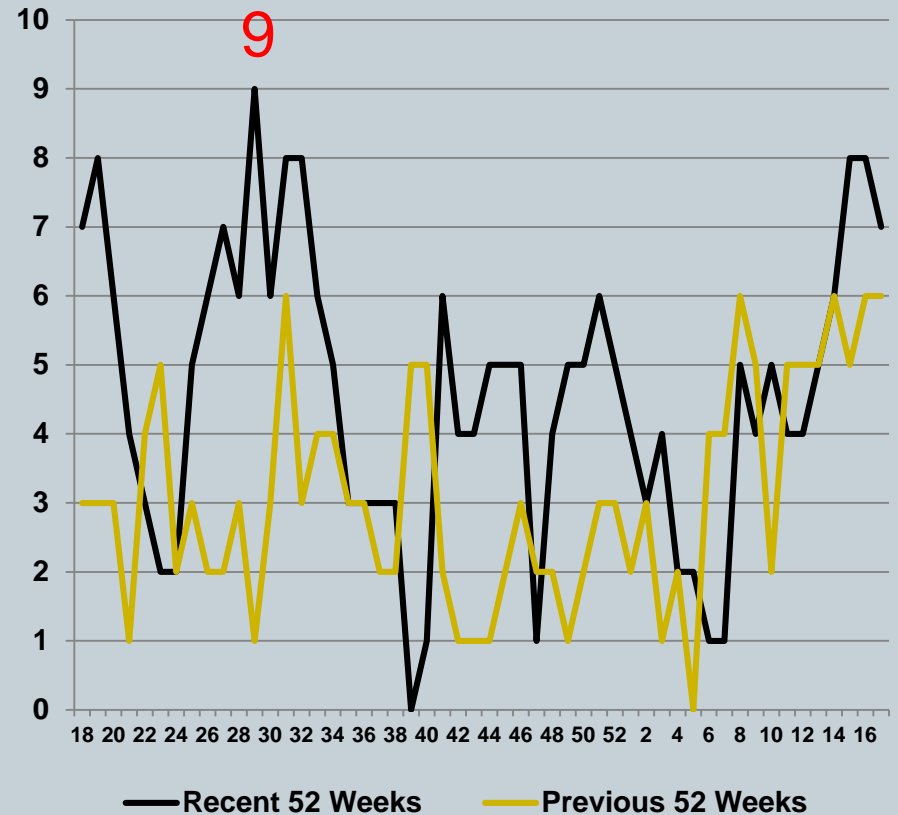


West Coast Vessel Lineups (past 52 weeks)

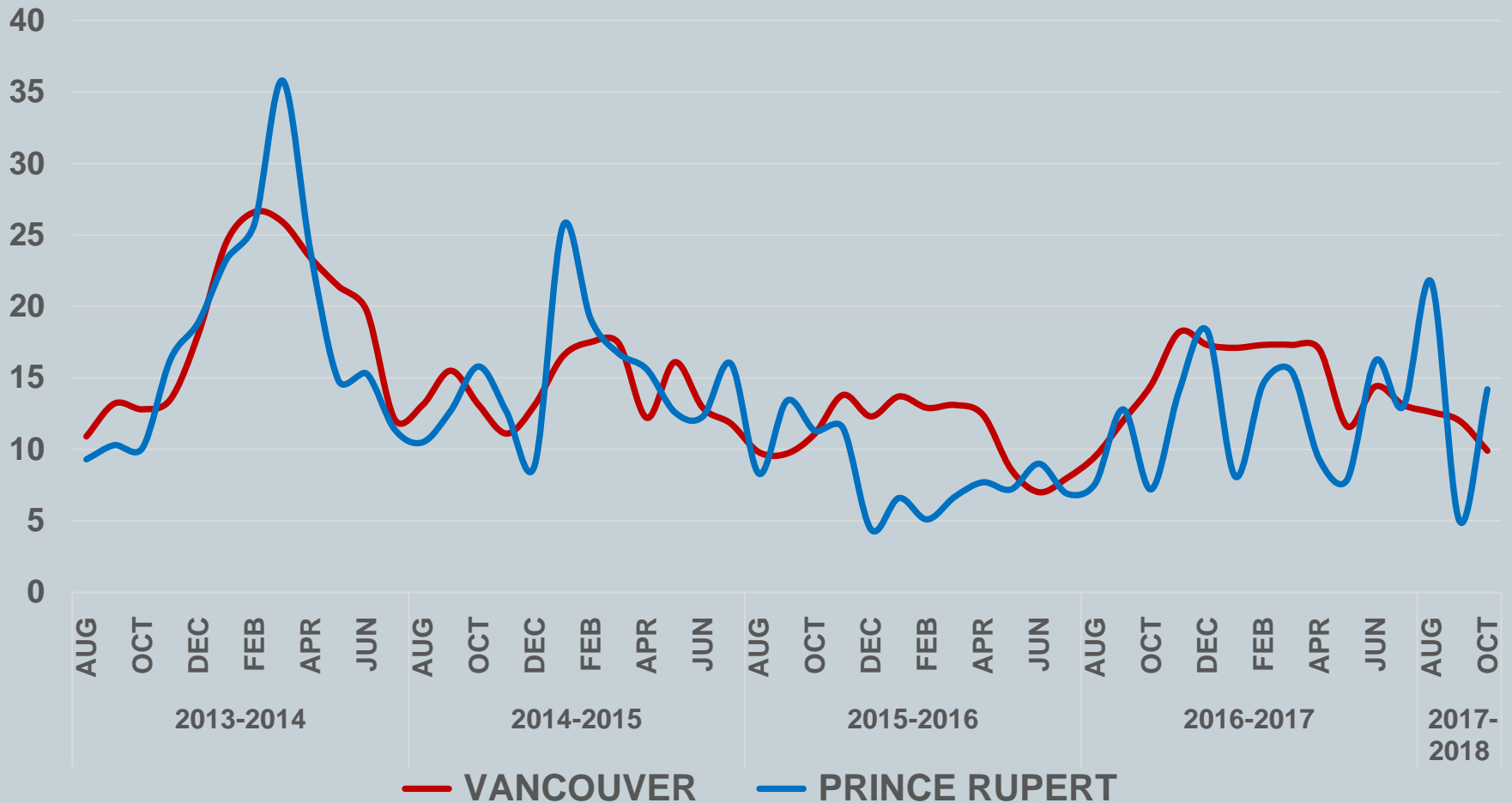
Vancouver



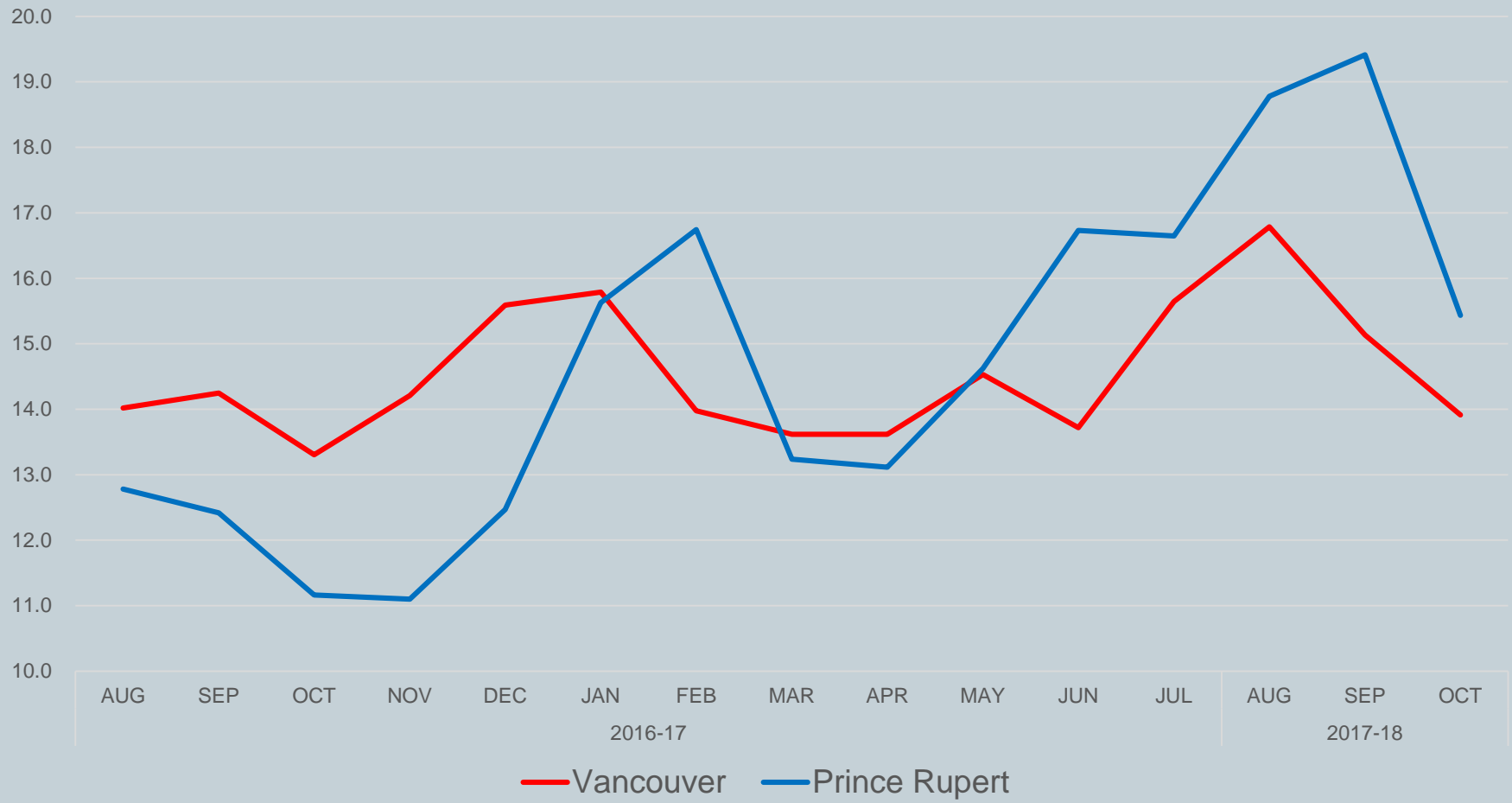
Prince Rupert



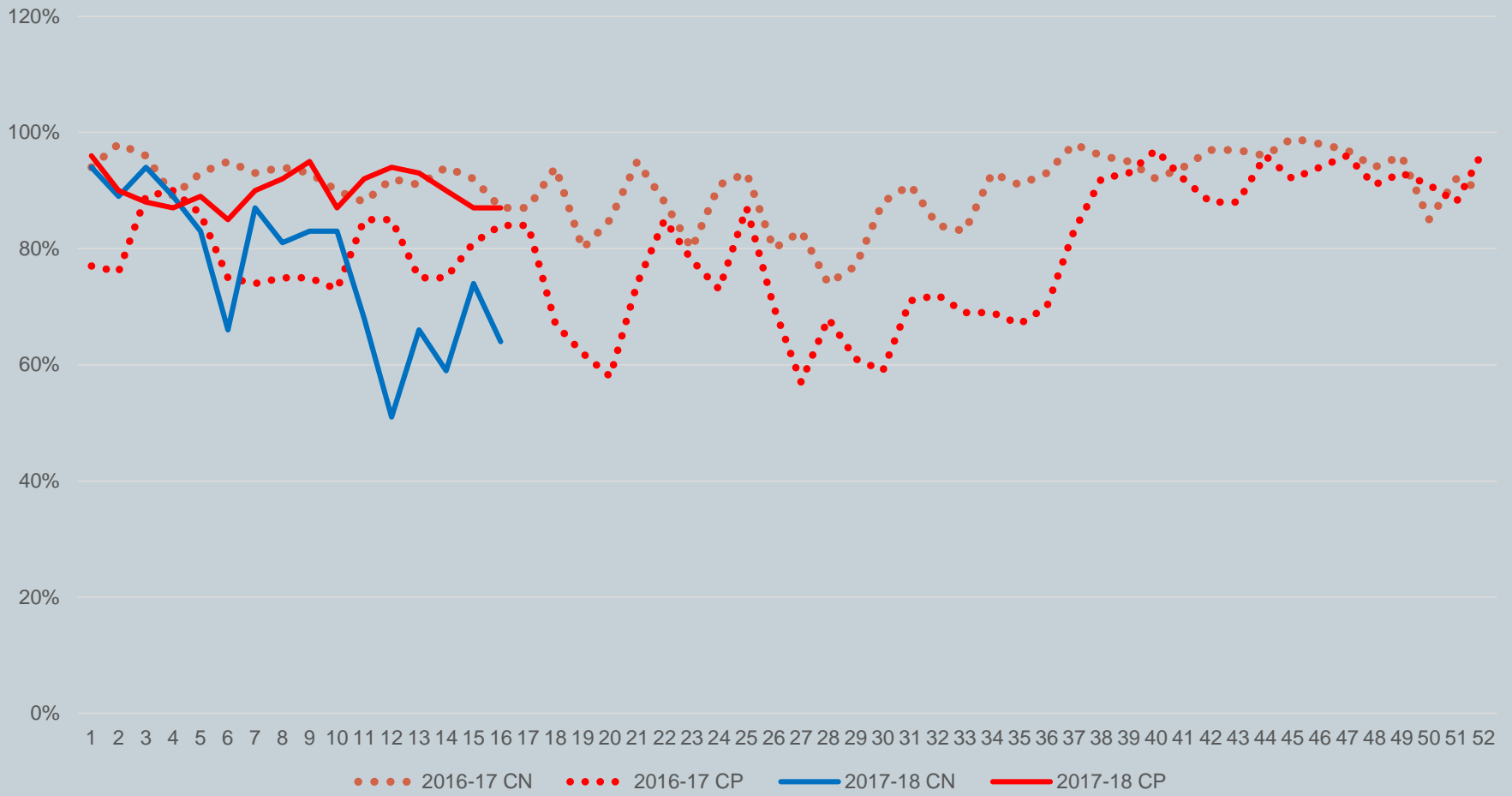
Average Vessel Days in Port (2013-Present by Month)



Car Cycles to West Coast – Last 15 months



Order Fulfilment (source: ATC)



●●● 2016-17 CN ●●● 2016-17 CP — 2017-18 CN — 2017-18 CP



Legislation Tabled May 16, 2017 (Bill C-49)



- **Transparency**
 - Expanded requirements for data from railways
 - Enhanced CTA role – initiate investigations
- **Access and Shipper Remedies**
 - Reciprocal penalties in Service Agreements
- **Long-Haul Interswitching to replace Extended Interswitching**
 - Each origin option will require an application
 - Fixed-scale approach changed to an individual calculation made by the CTA (if not negotiated)
- **Modifications to the MRE**
 - Two separate railway cost-inflation indices (VRCPI)
 - ✦ Investment incentive (especially railcars)
- **Bill C-49 passed third reading in House of Commons Nov. 1, 2017**
 - Introduced in the Senate Nov. 2, 2017





Thank You

Reports Available

Website: www.grainmonitor.ca



Quorum
Corporation

12/15/2017