The Western GHTS – Current Review

POGA
December 7, 2017
Total Supply (Western Canada Production and Carry-In Stock)

- Avg. 63.5 MMT
- Avg. 77.7 MMT

Production and Carry In Stock from 1999 to 2017.
Production – Changing Commodity Mix


Cereals  Oilseeds  Special Crops  Other
Where Does Western Grain Go? (2016-17)

Total = 53.1 MMT

- **Western Canada - Rail**: 40.3 MMT (76%)
- **US - Rail**: 6.9 MMT (13%)
- **US - Truck**: 2.3 MMT (4%)
- **Eastern Canada - Rail**: 3.3 MMT (6%)
- **Mexico - Rail**: 0.3 MMT (1%)
Western Canada Rail Traffic (2016-17)

Vancouver: 26.3 MMT, 65%
Prince Rupert: 5.9 MMT, 15%
Thunder Bay: 7.5 MMT, 19%
Domestic: 0.6 MMT, 1%

Total = 40.3 MMT
Shipments from Country Elevators

<table>
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<tr>
<th>Year</th>
<th>MB</th>
<th>SK</th>
<th>AB</th>
<th>BC</th>
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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)

36.8 MMT

Tonnes (000's)


Regions: Vancouver, Prince Rupert, Churchill, Thunder Bay, West Coast (Vancouver and Pr Rupert)
Canola Meal & Oil Rail Shipments - Vancouver

<table>
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<tr>
<th>Year</th>
<th>Canola Meal</th>
<th>Canola Oil</th>
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<td>2016-17</td>
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Capacity in Country (Primary & Process Elevators)

Storage Capacity (000's tonnes)

- Storage Capacity
- Delivery Points
- Elevators

Elevators & Delivery Points

- 1999
- 1999-00
- 2000-01
- 2001-02
- 2002-03
- 2003-04
- 2004-05
- 2005-06
- 2006-07
- 2007-08
- 2008-09
- 2009-10
- 2010-11
- 2011-12
- 2012-13
- 2013-14
- 2014-15
- 2015-16
- 2016-17
- 2017-18
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

- Country Elevator Storage
- Railway Loaded Transit
- Terminal Elevator Storage
Railway Car Cycles – Western Ports

Days

Loading
Destination Dwell
Origin Dwell
Unloading
Loaded Transit
Empty Transit
Linear (Total Cycle Time)
Loaded Transit Time

- Coefficient of Variation
- Linear (Loaded Transit Time (days))
- Linear (Coefficient of Variation)
Oats by Truck to US Destinations

<table>
<thead>
<tr>
<th>Year</th>
<th>US Northeast</th>
<th>US Midwest</th>
<th>US West</th>
<th>US South</th>
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Quorum Expansion
West Coast Vessel Lineups (past 52 weeks)

Vancouver

Prince Rupert

Previous 52 Weeks
Recent 52 Weeks

Previous 52 Weeks
Recent 52 Weeks
Average Vessel Days in Port (2013-Present by Month)

VANCOUVER

PRINCE RUPERT
Car Cycles to West Coast – Last 15 months

Vancouver

Prince Rupert
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