

GMP Dashboard

Table M-1	MAR 2019	APR 2019	2018-19 YTD	Var. from Last YTD
Western Canadian GHTS Performance (Days)				
Total Time in System	50.3	40.3	44.3	-7.1%
Average Days In Store – Country	36.6	23.8	27.2	-9.6%
Loaded Transit Time	7.6	6.2	6.7	9.5%
Average Days In Store – Terminal	6.1	10.3	10.4	-9.6%
Total Traffic ('000 tonnes)				
Primary Elevator Shipments	3,361.8	4,454.9	36,771.7	8.3%
Railway Shipments (all Western Canada traffic)	4,040.5	5,233.4	41,305.4	5.7%
Western Port Terminal Shipments	2,568.6	3,456.5	27,273.7	5.5%
Railway Performance				
Avg. Loads on Wheels (Cars)	12,486	12,762	12,393	7.1%
Total Western Port Car Cycle (days)	18.2	14.2	15.9	0.8%
Port Performance				
Western Port Unloads (Number of Cars)	24,145	33,866	292,214	4.6%
Vessel Time in Port (days)	18.7	11.2	11.2	1.8%

Periodic revisions and corrections to the data received by the Monitor may result in the restatement of previously calculated measurement values. Where such differences arise, the values presented here should be considered to supersede those found in previous reports.

Overview

Railway grain shipments from Western Canada jumped to a record 5.2 MMT in April 2019, up 29.5% from March's 4.0 MMT. This helped lift the year-to-date tonnage to 41.3 MMT, a 5.7% gain. Relatively good operating conditions in April supported superior performance throughout the GHTS as the third quarter of the crop year drew to a close. Port shipments for April totaled 3.5 MMT, a 34.6% escalation from March volumes due to both improved service to the West Coast and the opening of navigation on the Seaway with an increase in Thunder Bay shipments. Year-to-date shipments from ports are 5.5% higher than the previous crop year. Accompanying the growth in shipments, is a 11.2-day average for the amount of time vessels spent in port in April, with the first three quarters of the crop-year average also measuring 11.2 days.

Highlights for April 2019 and Third Quarter 2018-19 CY

Traffic and Movement (page 2)

- Primary-elevator shipments were 36.8 MMT in the first three quarters of the 2018-19 crop year, 8.3% more than last year.
- Total Western Canadian rail shipments (from all primary/process elevators and producer-car sites) rose 29.5% from March, to over 5.2 MMT. Despite railway service issues, stronger shipments through much of the first nine months of the 2018-19 crop year helped lift total traffic volume by 5.7%, to 41.3 MMT.
- Crop-year-to-date shipments from Western Canadian ports totaled 27.3 MMT, up 5.5% from last year.

System Efficiency and Performance (page 4)

- YTD Average weekly primary-elevator stocks decreased by 2.0% from last year. The average days-in-store was down 9.6%.
- Average weekly port-terminal stocks decreased 1.1% from the same period last year, while average days-in-store fell by 9.6%.
- Railcar cycle times decreased in April, with the preliminary average for Western Canadian movements falling to 14.2 days from 18.2 days in March. However, the average for the first nine months of the crop year rose by 0.8%, increasing to 15.9 days from the 15.8-day average reported a year earlier.
- The first-three-quarter average for vessel time in port is 11.2 days, a 1.8% increase from that observed in the previous crop year.
- Port-terminal out-of-car time fell to 12.8% at Vancouver in April from 18.6% in March, and to 5.2% at Prince Rupert from 23.7%. At Thunder Bay the out-of-car time fell to 3.1% from 24.0% the previous month.

Commercial Relations (page 6)

- Average primary-elevation charges rose 0.1% over the course of the first nine months of the crop year.
- Both CN and CP increased their single-car freight rates in the 2018-19 crop year. Successive increases in August, September and October lifted CN's rates on movements to the West Coast and Thunder Bay. An across-the-board reduction in March 2019 trimmed the net escalations to 8.6% and 16.6% respectively by the close of the third quarter. CP limited its initial rate increases to the Thunder Bay corridor but followed up with broader increases in October. These were again escalated in January 2019. At the close of the third quarter, CP's single-car rates into Vancouver and Thunder Bay had risen by 7.7% and 17.0% respectively.
- Average terminal-elevation charges rose 0.1% during the first nine months of the crop year.

Infrastructure (page 6)

- The GHTS's country-elevator network posted a net increase of one facility in the first nine months of the 2018-19 crop year, with the total inching up to 401 from 400. This was largely due to the licensing and delicensing of several smaller facilities. Hidden beneath these statistics were seven newly constructed loop-track facilities, two apiece operated by G3 Canada Limited, Viterra Inc., and GrainsConnect Canada, along with one by Paterson Grain. These additions, along with continued capacity expansion efforts, added another 306,400 tonnes of storage to the system, which reached a record 8.6 MMT.

Production and Supply

Statistics Canada's November survey for 2018 crop production in Western Canada stands at 71.1 MMT. While this represents a 1.2% decrease from the 2017 harvest, it still registers among the largest crops grown. This production estimate stands relatively consistent with the model-based estimate released by Statistics Canada in September.

Coupled with carry-forward stock of 9.8 MMT at the end of July 2018, 14.7% more than in 2017, the overall grain supply is estimated to be 80.9 MMT. The projected supply is 0.5% greater than that of the previous year and will underpin continuous demands on the GHTS throughout the crop year.

Table M-2:		2018	2017	Var. from Last Yr.
Production & Carry Over (000's tonnes)				
Western Canada Total Production		71,101.2	71,977.2	-1.2%
Western Canada On Farm & Primary Elevator Carry Forward Stock		9,834.6	8,574.0	14.7%
Total Grain Supply		80,935.8	80,551.2	0.5%

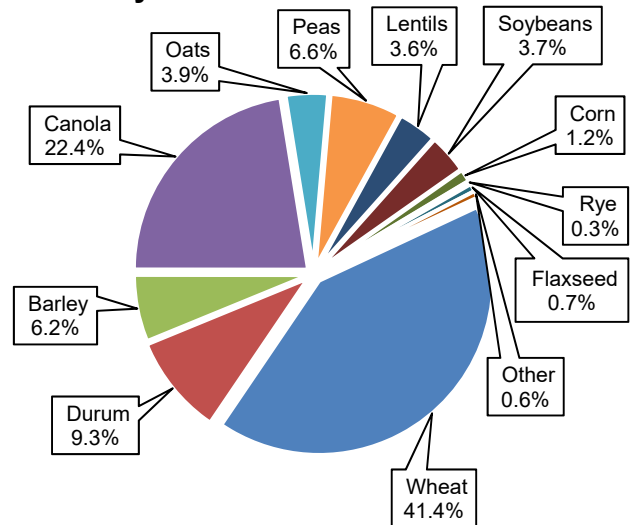
Traffic and Movement

Despite the advent of road bans and spring field work during April, producer deliveries held steady, averaging just under 0.9 MMT per week for the month. Average weekly primary-elevator stock levels, at 3.8 MMT, provided adequate delivery space throughout the prairies.

Table M-3		APR 2019	2018-19 YTD	Var. from Last YTD
Primary Elevator Shipments (000's tonnes)				
Manitoba		759.3	6,514.6	0.4%
Saskatchewan		2,435.9	20,018.3	21.1%
Alberta		1,233.6	9,957.1	-7.1%
British Columbia		26.1	281.7	20.8%
Total		4,454.9	36,771.7	8.3%
Western Canada Railway Traffic (000's tonnes)				
Shipments to Western Ports		4,188.1	32,281.3	9.5%
Shipments to Eastern Canada		360.0	2,968.3	17.6%
Shipments to US & Mexico		637.9	5,530.0	-14.5%
Shipments Western Domestic		47.5	525.8	-15.4%
Total		5,233.4	41,305.4	5.7%
Western Port Unloads (Number of Cars)				
Vancouver		21,685	189,963	3.5%
Prince Rupert		5,606	47,637	8.2%
Thunder Bay		6,575	54,614	5.5%
Total		33,866	292,214	4.6%

Table M-3		APR 2019	2018-19 YTD	Var. from Last YTD
Terminal Elevator Shipments (000's tonnes)				
Vancouver		2,118.2	17,617.2	4.4%
Prince Rupert		534.3	4,508.7	12.1%
Churchill		0.0	26.9	n/a
Thunder Bay		804.0	5,120.9	3.2%
Total		3,456.5	27,273.7	5.5%

Primary Elevator Shipments by Commodity

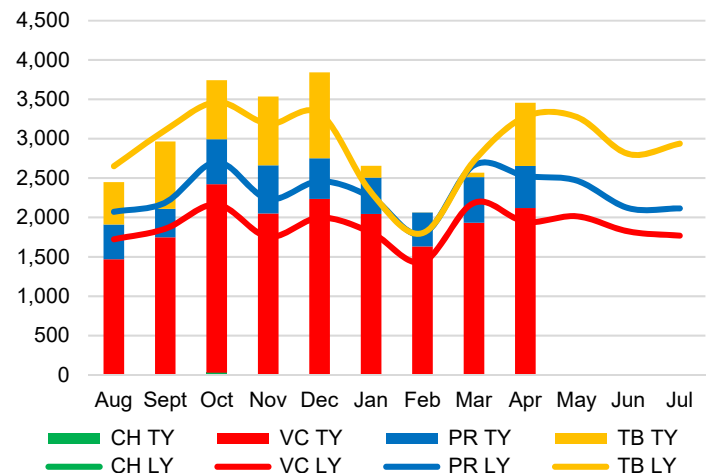


Total YTD = 36.8 MMT

GMP Data Table 2A-1

Grain shipments from primary elevators grew in the first three quarters, registering 8.3% more than the crop-year-to-date total for the previous year. Wheat, including durum, and canola continue to constitute the largest proportion of the movement at 73.1%. Movement of peas and lentils accounted for just 10.2% of the total as tariff and non-tariff trade barriers continue to challenge the marketing of these pulse crops.

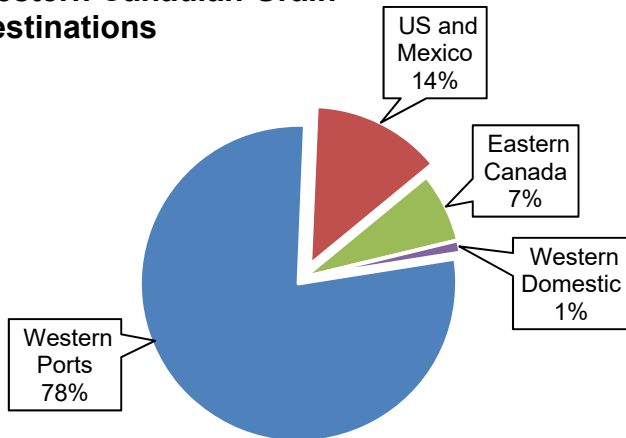
Terminal Elevator Shipments (000's tonnes)



GMP Data Table 2C-1

Bulk shipments out of the western ports grew in the first three quarters of the 2018-19 crop year, registering a 5.5% increase on a year-over-year basis. Prince Rupert experienced growth of nearly 12.1%, while Vancouver and Thunder Bay recorded more modest gains of 4.4% and 3.2% respectively.

Western Canadian Grain Destinations

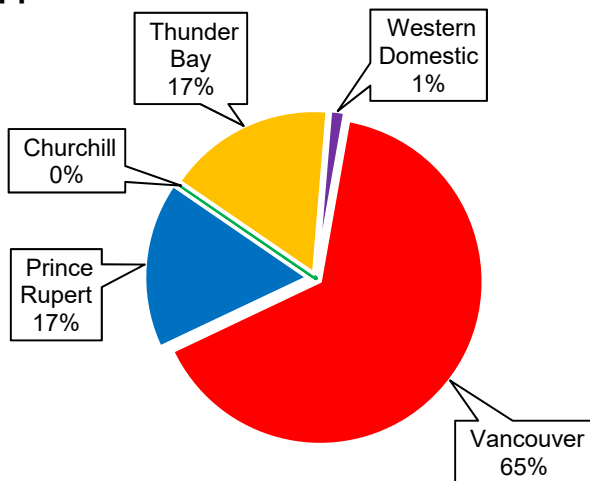


Total YTD = 41.3 MMT

GMP Data Tables 2B-1, 2B-8 & 2B-15

Railway grain shipments from Western Canada totaled 41.3 MMT in the first nine months of the 2018-19 crop year, a 5.7% gain over that handled in the same period a year earlier. The majority, about 32.3 MMT, or 78%, was directed to Western Canadian ports in support of offshore sales; a 9.5% increase over what had been handled a year earlier. This was complemented by a 17.6% gain on movements into Eastern Canada, which reached almost 3.0 MMT. Running counter to these gains were decreases in Western Domestic shipments, which fell by 15.4%, and a 14.5% decline in shipments to the US and Mexico.

Western Canadian Destined Hopper Car Traffic

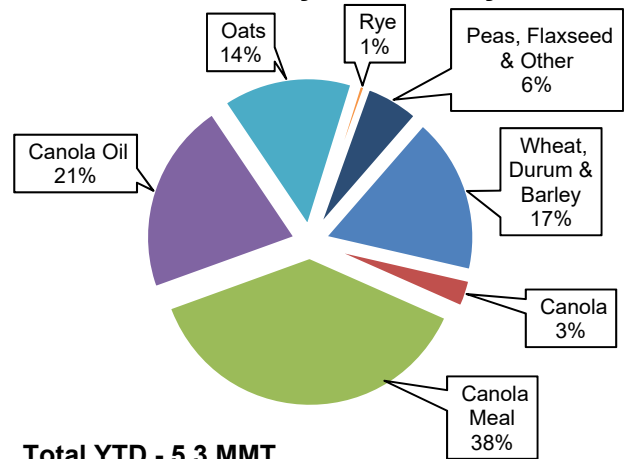


Total YTD - 31.2 MMT

GMP Data Tables 2B-3 to 2B-7

Over 95% of the tonnage directed to destinations within Western Canada moves in covered hopper cars. During the first nine months of the 2018-19 crop year this amounted to just over 31.2 MMT, up 8.8% from the same period a year earlier. On the receiving end, 65% of these hopper cars were destined to Vancouver, which remains the port of choice for exporting grain, given its ready access to Asia-Pacific markets, favourable logistical economics and year-round operations. Hopper-car shipments to Vancouver increased by 9.2% during this period. Prince Rupert and Thunder Bay posted gains of 17.1% and 3.0% respectively. Conversely, Western Canadian shipments fell by 18.4%.

US Destined Grain by Commodity

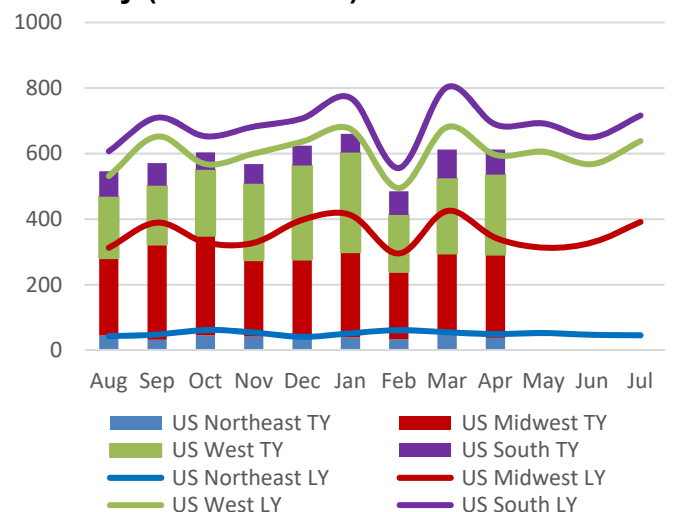


Total YTD - 5.3 MMT

GMP Data Table 2B-18

Total railway shipments into the US reached almost 5.3 MMT in the first nine months of the 2018-19 crop year, a reduction of 14.8% from that handled in the same period a year earlier. Over 80% of these shipments are directed into the Midwestern and Western US, with canola and canola products dominating.

US Destined Grain by Destination Territory (000's tonnes)



GMP Data Table 2B-18

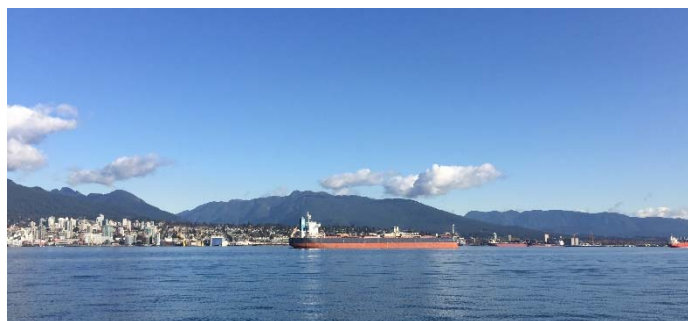
System Efficiency and Performance

Average primary-elevator stocks grew steadily throughout the first three quarters, climbing from 2.9 MMT in August to 3.8 MMT in April for a nine-month average of 3.7 MMT. Overall space in the country system was good. In April country stocks utilized 75% of the working capacity of the network. By province, stocks ranged from 72% and 74% in British Columbia and Saskatchewan and to 79% and 81% in Manitoba and Alberta respectively.

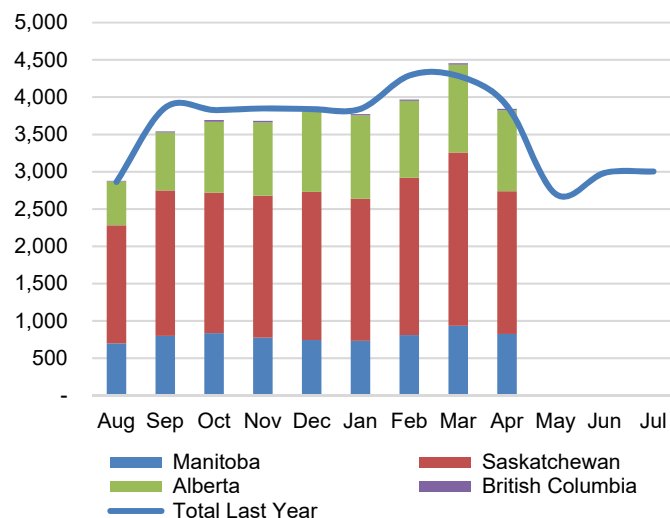
The average days-in-store in the primary-elevator system for the first three quarters of the crop year decreased from last year, falling 9.6% to 27.2 days.

Table M-4	APR 2019	2018-19 YTD	Var. from Last YTD
Primary Elevator			
Average Weekly Stocks (000's tonnes)	3,842.7	3,736.2	-2.0%
Average Days in Store	23.8	27.2	-9.6%
Railway Operations (days)			
Cycle Time to Western Ports	14.2	15.9	0.8%
Cycle Time to Eastern Canada	19.2	22.7	-5.9%
Cycle Time to US	23.6	26.8	-4.8%
Loaded Transit to Western Ports	6.2	6.7	9.5%
Loaded Transit to Eastern Canada	9.3	10.5	-3.9%
Loaded Transit to US	10.5	11.1	-6.8%
Rail Fleet in Grain Service	23,641	22,977	5.9%
Western Canada Terminal Elevator			
Average Weekly Stocks (000's tonnes)	1,300.2	1,211.9	-1.1%
Average Days in Store	10.3	10.4	-9.6%
Port Unloads (hopper cars)	33,866	292,214	4.6%
Terminal Out-of-Car Time	9.8%	12.7%	9.5%
Western Canada Port Operations			
Average Vessel Time in Port (days)	11.2	11.2	1.8%

Car order and order fulfillment data is not complete from both railways and will not be reported until further notice.



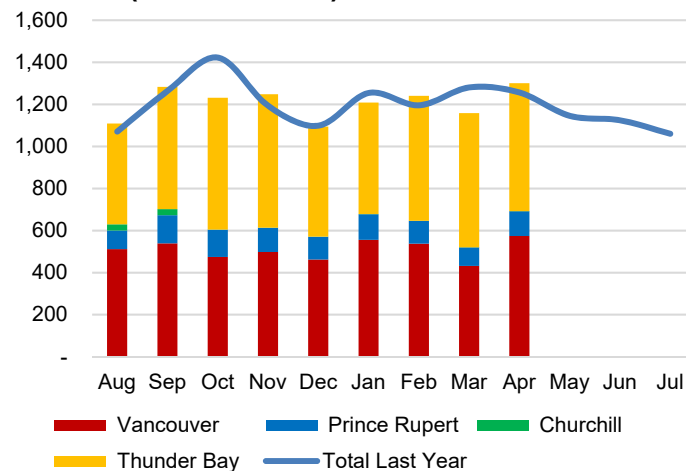
Average Weekly Primary Elevator Stocks (000's tonnes)



GMP Data Table 5A-2

Primary elevator stocks ended the last crop year averaging 3.0 MMT in store. In August, they pulled back slightly to average 2.9 MMT before reversing direction and rising to average 4.5 MMT in March. April saw them contract to 3.8 MMT. Wheat, including durum, and canola, comprise 73% of the total stock. At 14% of the stock, barley, oats and peas made up much of the balance.

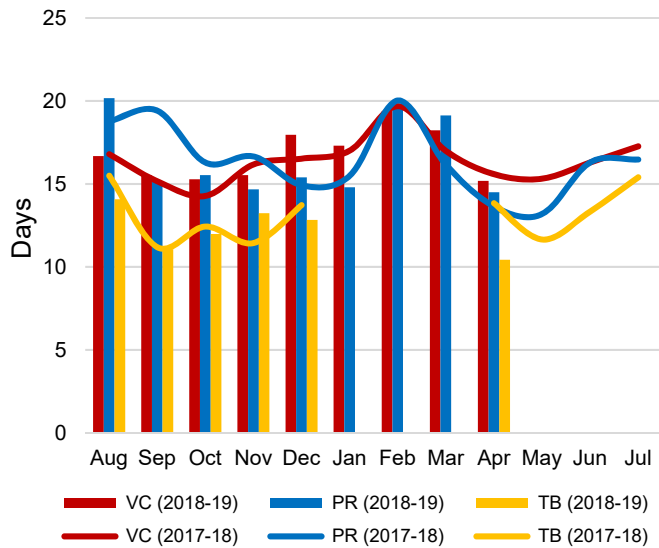
Average Weekly Terminal Elevator Stocks (000's tonnes)



GMP Data Table 5C-2

Overall terminal elevator stocks averaged 1.2 MMT in the first three quarters of the crop year, 1.1% less than the previous crop year. In April, average stock levels grew at both Vancouver and Prince Rupert. Thunder Bay average stock levels declined marginally following the opening of navigation on the Seaway. Pacific Seaboard stocks are now presented separately for Vancouver and Prince Rupert. Wheat, including durum, and canola, comprise over 80% of the total stock. In April, western ports utilized 75% of their overall working capacity.

Railway Cycle Times to Western Ports (days)

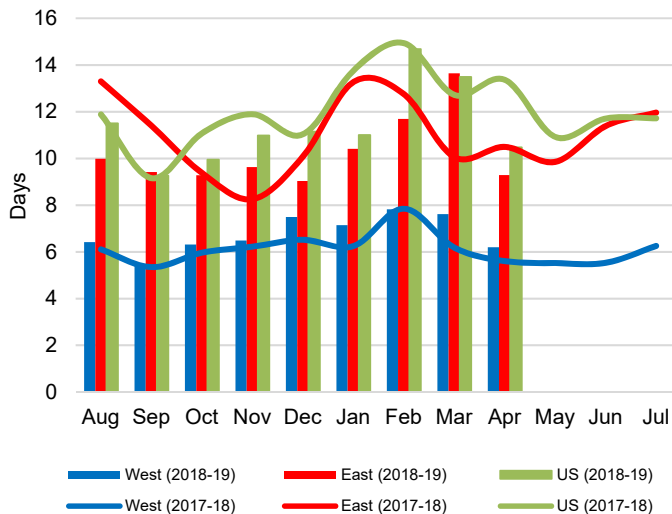


GMP Data Table 5B-1

Railway car cycles to Western Canadian ports averaged 15.9 days in the first nine months of the 2018-19 crop year, up by 0.8% from the 15.8 days posted a year earlier. This result was primarily shaped by an increase in the Vancouver corridor, which rose by 2.2%. Cycle time reductions of 0.8% in the Prince Rupert corridor and 3.0% in the Thunder Bay corridor helped contain the overall rise.

Car cycles to Eastern Canada declined, falling by 5.9%, to an average of 22.7 days from 24.1 days a year earlier. Similarly, the car cycle for movements into the United States fell by 4.8%, to an average of 26.8 days from the 28.2-day average posted in the same period of the previous crop year.

Average Loaded Transit Times (days)

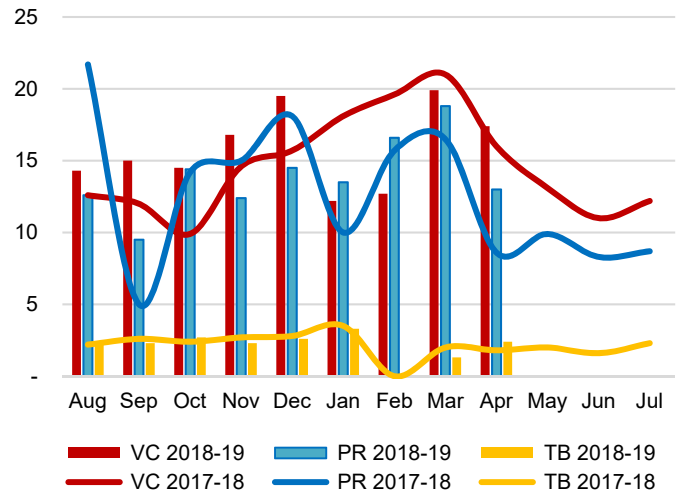


GMP Data Tables 5B-4, 5B-8, 5B-12

Loaded transit time for traffic destined to Western Canadian ports averaged 6.7 days in the first nine months of the 2018-19 crop year, up 9.5% from the 6.1-day average posted in the same period a year earlier. This was the result of increases in all three corridors, with rises of 12.0% in both the Vancouver and Thunder Bay corridors, accompanied by a more modest 0.6% gain in the Prince Rupert corridor.

The average loaded transit time associated with movements into Eastern Canada declined by 3.9%, to 10.5 days from 11.0 days the year previous. The corresponding average for US-bound traffic declined by a more substantive 6.8%, to 11.1 days from the 11.9-day average posted twelve months earlier.

Average Days in Port per Vessel

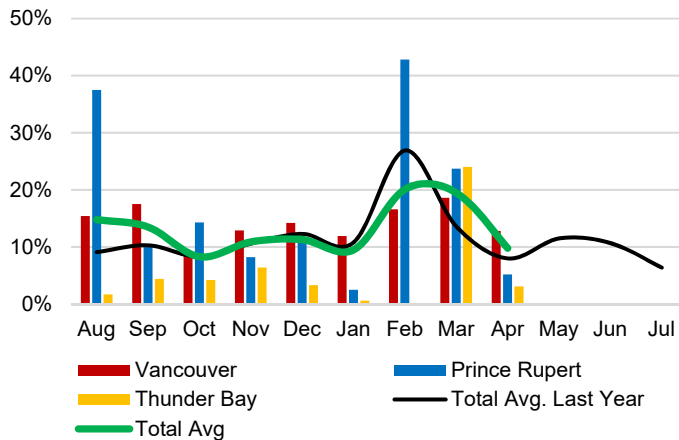


GMP Data Table 5D-1

In April, the overall average time vessels were in port waiting and loading grain fell to 11.2 days from 18.7 days the month before. The crop-year average stands at 11.2 days, 1.8% higher than that registered in the previous crop year. While Prince Rupert registered an appreciable month-over-month decrease, Vancouver's decline was more modest, and Thunder Bay was up marginally. For the month of April, days in port stood at 17.4 for Vancouver, 13.0 for Prince Rupert and 2.4 for Thunder Bay.



Port Terminal Out-of-Car Time (% of total operating hours)



GMP Data Table 5C-5

The port terminal out-of-car time measure represents the total number of hours terminal elevator facilities are open and staffed (including overtime hours) and the corresponding number of hours that terminals have no rail cars available to unload. The measure is expressed as a percentage (hours without cars to the total number of hours working).

The aggregate measure for all ports declined to 9.8% in April from 19.5% in March. Terminal out-of-car time at Vancouver fell to 12.8% in April and to 5.2% and 3.1% at Prince Rupert and Thunder Bay respectively.

Commercial Relations

Table M-5 Rates: \$CDN per tonne	Q3 2018-19	Index (1999=100)	% Change YTD
Average Primary Elevation	16.23	135.3	0.1%
Rail to Vancouver			
CN	53.30	145.2	8.6%
CP	57.17	154.8	7.7%
Rail to Pr. Rupert			
CN	53.30	128.3	8.6%
Rail to Thunder Bay			
CN	52.74	163.7	16.6%
CP	49.52	165.1	17.0%
Average Terminal Elevation	14.38	157.7	0.1%

Note: Commercial rates are measured on a quarterly basis, the above table refers to rates at the close of the third quarter of the 2018-19 crop year (as at 30 April 2019). Railway freight rates reflect average published single-car rates, and do not include multi-car incentives (\$4/tonne for 50+ car blocks and \$8/tonne for 100+ car blocks).

Both CN and CP increased their single-car freight rates in the 2018-19 crop year. CN advanced successive rate increases in August, September and October, which by the close of the first quarter had effectively lifted the rates on movements to the West Coast and Thunder Bay by 13.8%, and 23.4% respectively. CN maintained these rates until midway through the third quarter, when it then applied an across-the-board reduction of 5.0%. At the

close of the third quarter this produced net escalations of 8.6% on westbound movements, and 16.6% on eastbound movements. In comparison, CP limited its beginning-of-the-crop-year increases to the Thunder Bay corridor but followed up with broader increases in October. At the end of the first quarter these actions had effectively raised the rates on traffic destined to Vancouver and Thunder Bay by 5.8% and 14.7% respectively. These rates were maintained until the beginning of January 2019 when the carrier instituted escalations amounting to nearly 2.0%. At the close of the third quarter CP's single car rates into Vancouver and Thunder Bay had been elevated by 7.7% and 17.0% respectively.

Commercial Developments

China bars Canadian canola imports: In March 2019 China suspended the licences of both Richardson International Ltd's and Viterra to ship canola to that country due to pest concerns. As a major market for Canadian canola, China accounts for approximately 40% of all canola seed, oil and meal exports. Canola seed exports to China were worth \$2.7 billion in 2018. In the meantime, the Government of Canada moved to assist farmers financially with enhancements to its Cash Advance Program while continuing to seek a solution to the impasse.

Decision rendered in Vancouver rail service investigation: On 15 April 2019 the Canadian Transportation Agency (Agency) rendered a decision in its investigation into possible freight rail service issues in the Vancouver area. The investigation, initiated on information received from various shipper associations, marked the first instance where the Agency, with the approval of the federal minister of transport, had moved to exercise the new investigatory powers granted to it under the amendments made to the Canada Transportation Act in 2018. Much of the focus was on whether there was any evidence of discriminatory treatment in the handling of certain commodities, how embargoes and permits were used, and if railway companies operating in the Vancouver area were fulfilling their service obligations. The Agency found that Canadian National Railway Company (CN) breached its level of service obligations by announcing its intention to impose embargoes on wood pulp shipments in September 2018, several months before rail congestion and other challenges emerged in the Vancouver area, rather than making every reasonable effort to deal with those challenges before unilaterally restricting shippers' traffic through the imposition of those embargoes in December 2018. The Agency ordered CN to develop and submit a plan to respond to future traffic surges in the Vancouver area and to avoid, or minimize, the use of embargoes. The determination also set out criteria for the lawful use of embargoes, including their imposition only in exceptional circumstances to address specific challenges, and that they be lifted as soon as possible. CN immediately responded to appeal the decision to the Federal Court of Appeal.

Infrastructure

Apart from the railways' car fleet, GMP measures relating to infrastructure are reported on a quarterly basis. The first nine months of the 2018-19 crop year saw few changes to the GHTS's

physical infrastructure, all of which was contained to the country elevator network.

The first nine months of the 2018-19 crop year saw the closure of 18 country elevators. However, these were countered by the addition of 19 newly licensed facilities, which boosted the active network to 401 elevators from 400. More noteworthy was the fact that seven of these were newly constructed loop-track facilities, two apiece operated by G3 Canada Limited, Viterra Inc., and GrainsConnect Canada, along with one by Paterson Grain. Much of this was responsible for adding another 306,400 tonnes of storage capacity to the system, which reached a record 8.6 MMT.

No alterations to the railway network were noted during the first nine months of the 2018-19 crop year, which remained unchanged at 17,279.9 route-miles, with just under 85% of it operated by CN and CP.

The terminal elevator network also remained unaltered throughout the first nine months of the 2018-19 crop year, with 16 facilities providing a combined 2.5 MMT in associated storage capacity.

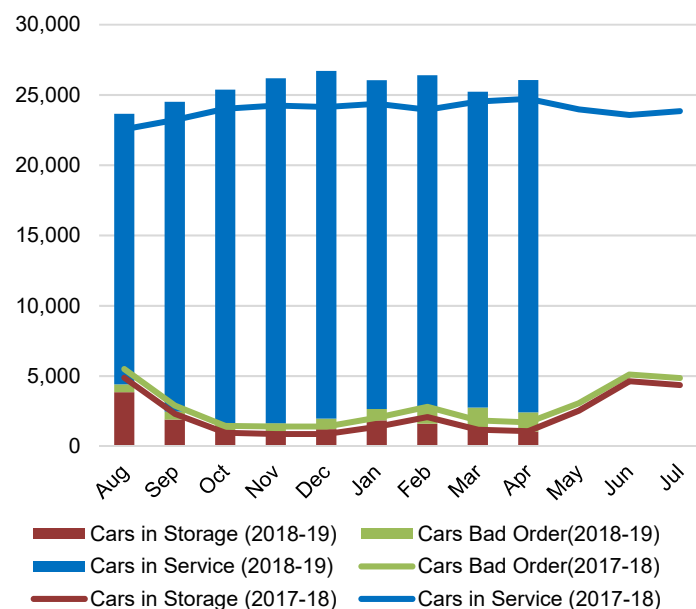
Table M-6	Q3 2018-19	Index (1999=100)	% Change YTD
Country Elevator			
Primary and Process Elevators (Count)	401	39.9	0.3%
Storage Capacity (000's tonnes)	8,618.1	122.7	3.7%
Railway			
Route Miles - Major Carriers	14,610.3	98.5	0.0%
Route Miles - Shortline Carriers	2,669.6	57.5	0.0%
Route Miles - Total	17,279.9	88.8	0.0%
Average Weekly Total Hopper Car Fleet Size*	25,529	n/a	6.3%
Terminal Elevator			
Terminal Facilities (Count)	16	114.3	0.0%
Storage Capacity (000's tonnes)	2,485.0	97.2	0.0%

* Hopper Car Fleet Size represents all cars in all statuses for the first nine months of the 2018-19 crop year.

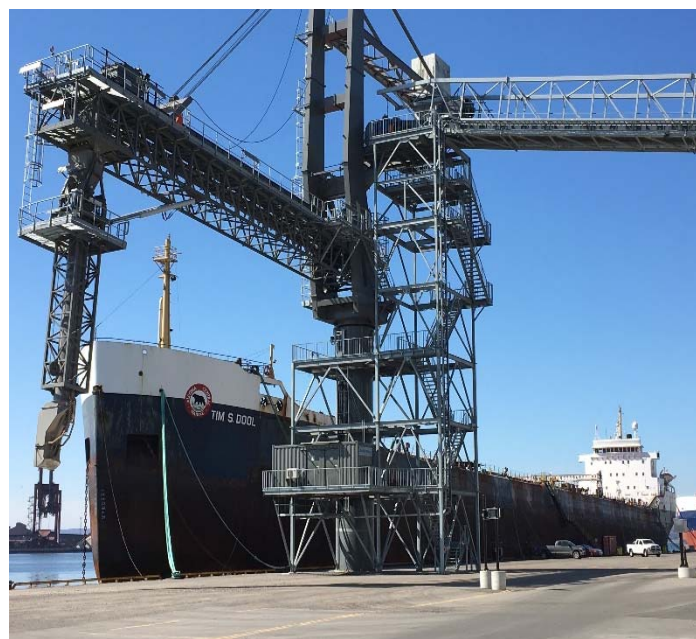
During times of heavy demand for grain hopper cars, most of the hopper-car fleet is placed in service. It is normal practice for railways to move cars into storage as traffic volumes decrease in the latter months of the crop year. This was the case in the 2017-18 crop year as in July 2018, a weekly average of 18,927 cars, representing 80% of the fleet was in active service. Cars in service grew from August through December with strong shipping demand before pulling back modestly in January. The average in April was 23,641 cars, with an overall-average car fleet in service during the first nine months of the 2018-19 crop year of 22,977, encompassing 90% of the fleet. This compares similarly

to April 2018 when there were 22,842 cars in service. The balance of the fleet, comprising 10% of the rail cars, was in storage or repair status (bad order), substantially less than 20% in July 2018, the last month of the 2017-18 crop year.

Railway Grain Fleet Size and Utilization



GMP Data Table 3B-2



Producer Cars

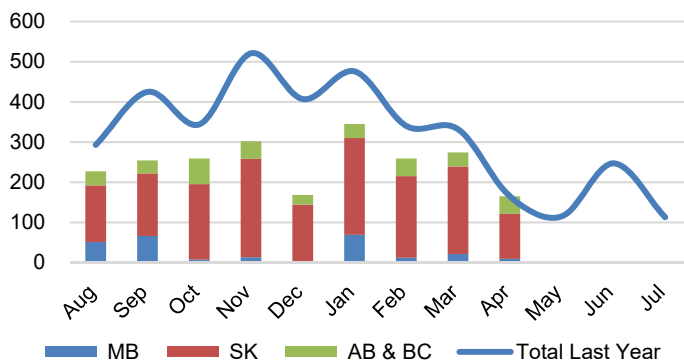
No change was registered in the number of producer-car loading sites in the first half of the 2018-19 crop year. The total number of available producer-car loading locations at the end of the first three quarters stands at 272.

Table M-7 Producer Car Loading Sites	Q3 2018-19	Index (1999=100)	% Change YTD
Class 1 Carriers	142	22.2	0.0%
Shortline Carriers	130	200.0	0.0%
All Carriers	272	38.3	0.0%

Table M-8 Producer Cars Scheduled	Q3 2018-19	2018-19 YTD	Var. from Last YTD
Manitoba	42	250	-46.1%
Saskatchewan	533	1,646	-33.2%
Alberta & B.C.	123	357	-5.1%
Total	698	2,253	-31.8%

Producer cars scheduled this year to date are down 31.8% from the previous year. To date, the 2018-19 crop year has seen a reduction in producer-car applications received by the Canadian Grain Commission.

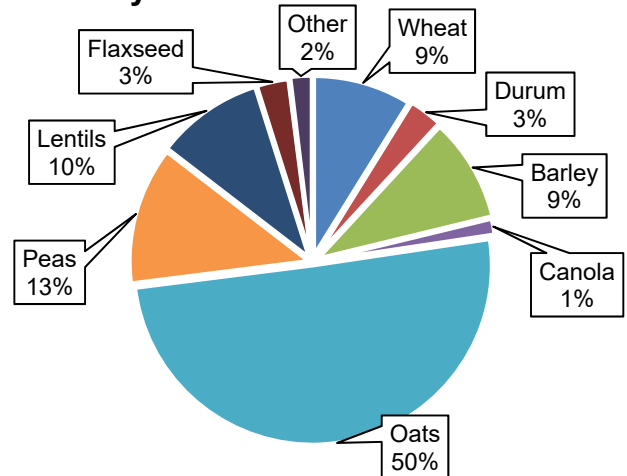
Producer Cars Scheduled by Province



GMP Data Table 6B-2

The proportion of producer-car shipments devoted to oats has grown substantially as a decrease has been registered in the number of cars carrying other cereal crops. Shipments throughout the first three quarters of the 2018-19 crop year continue to reflect this trend, with oats shipments comprising 50% of the total, while wheat, durum and barley combined comprise only 21%. Special crops such as peas and lentils contributed another 23% of the total volume.

Producer Cars Scheduled by Commodity



GMP Data Table 6B-2



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This report provides a summary of the data developed under the Grain Monitoring Program. Detailed monthly Data Tables can be found in Excel format on Quorum's website at: www.grainmonitor.ca

Quorum welcomes questions and comments on the reports and data. Please contact us at our address by either phone or email