



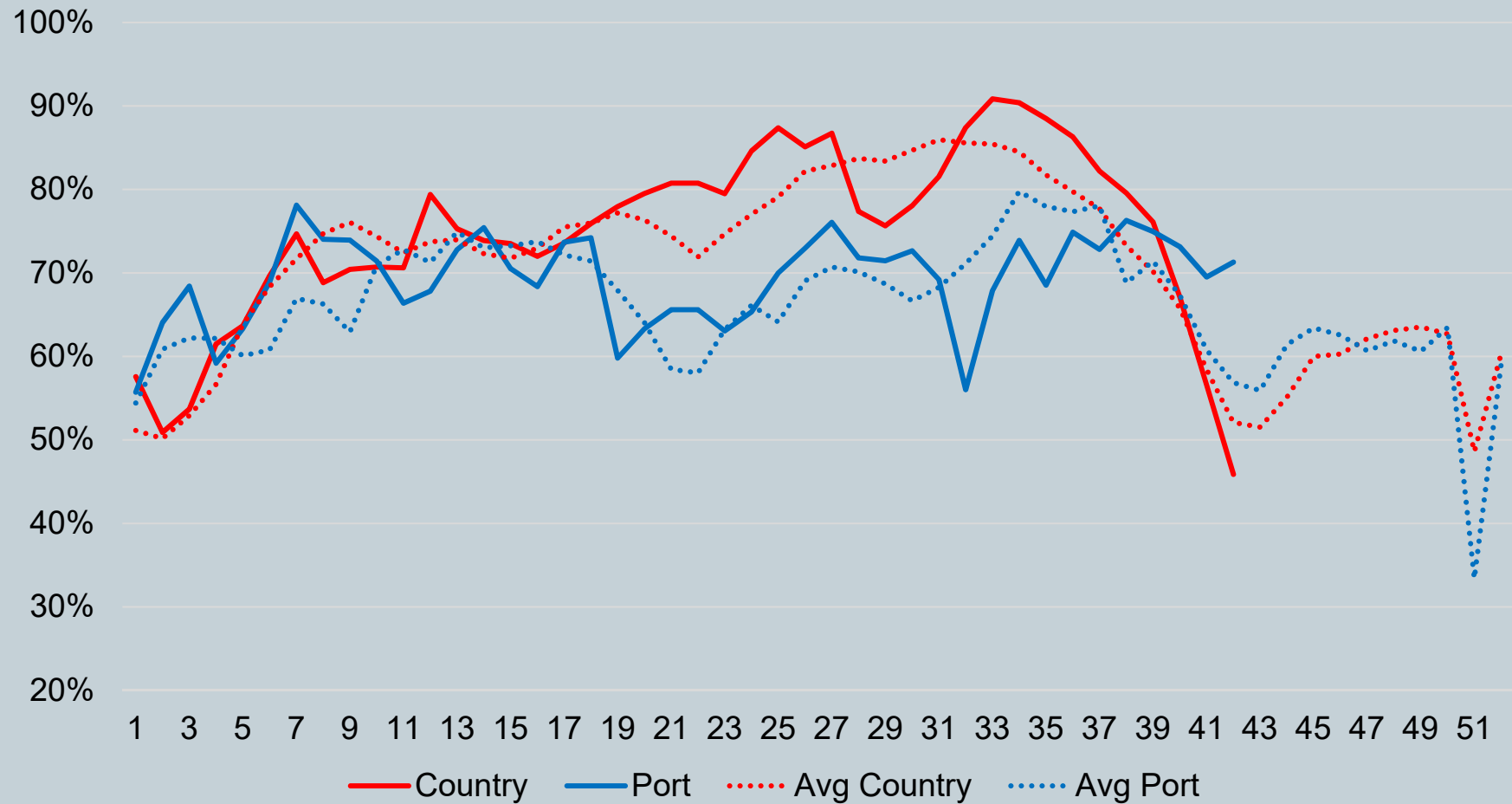
## Western Canadian GHTS Update: 2018-19 CY



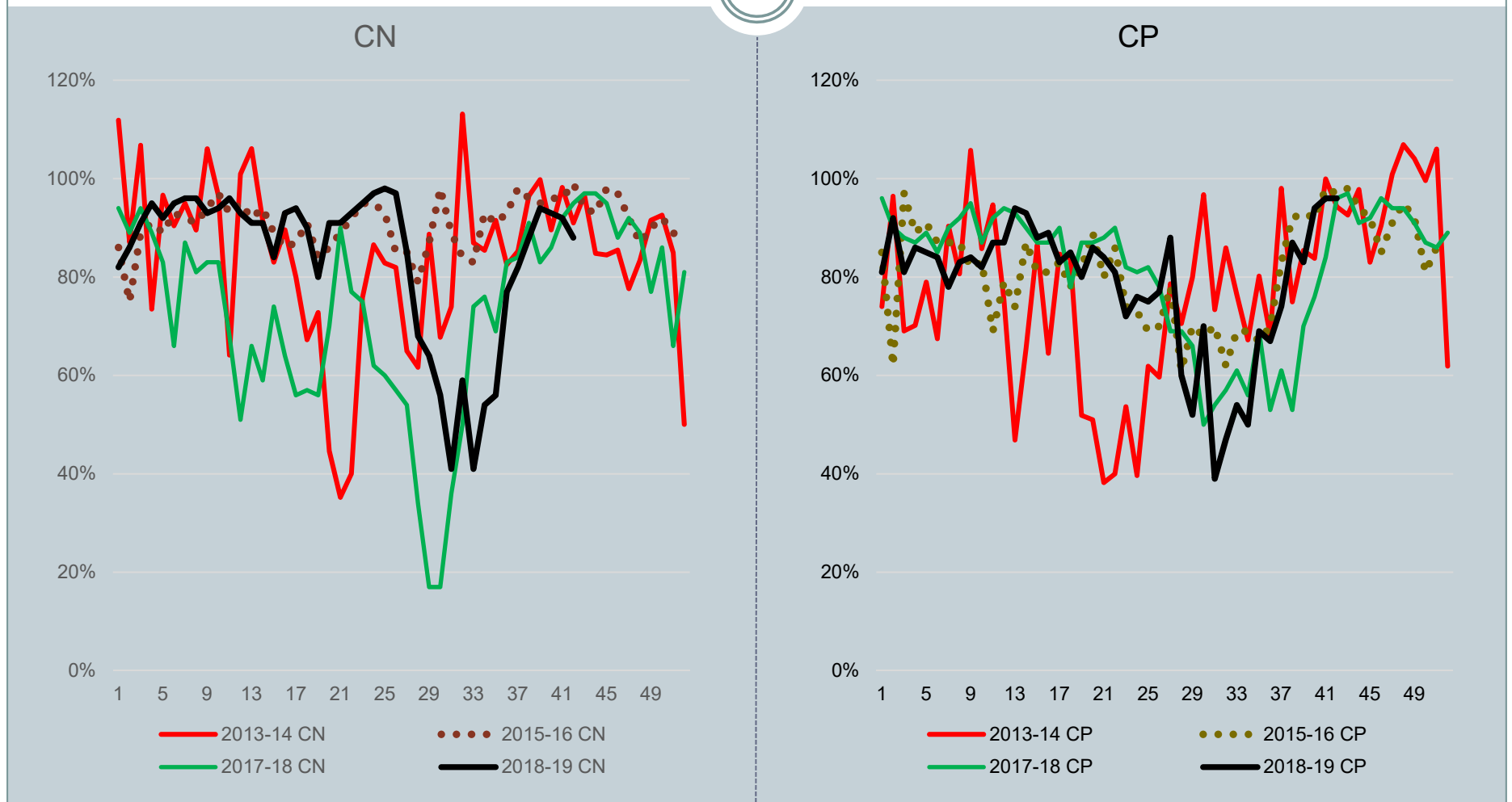
June 2019



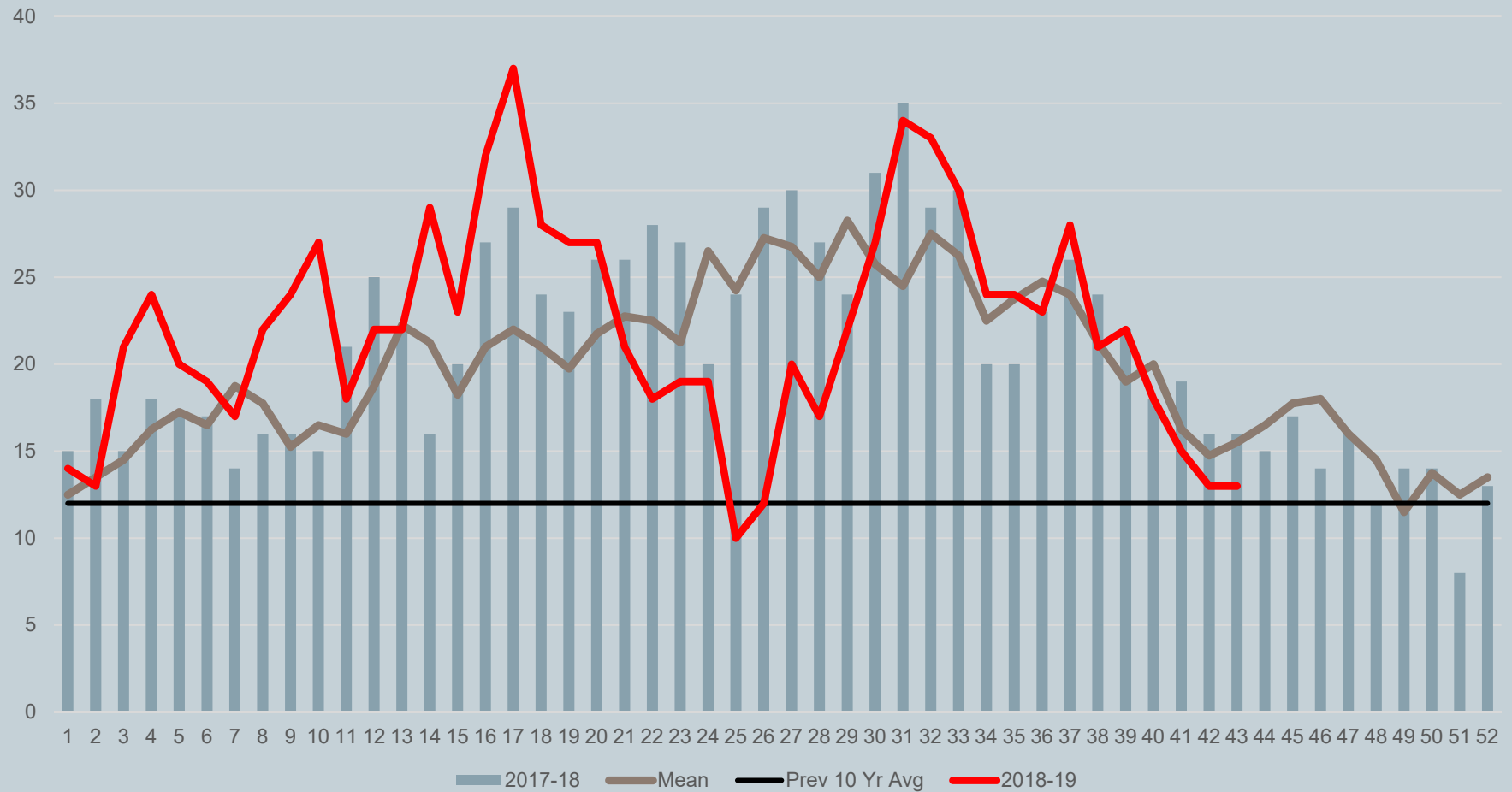
# Stocks vs Working Capacity



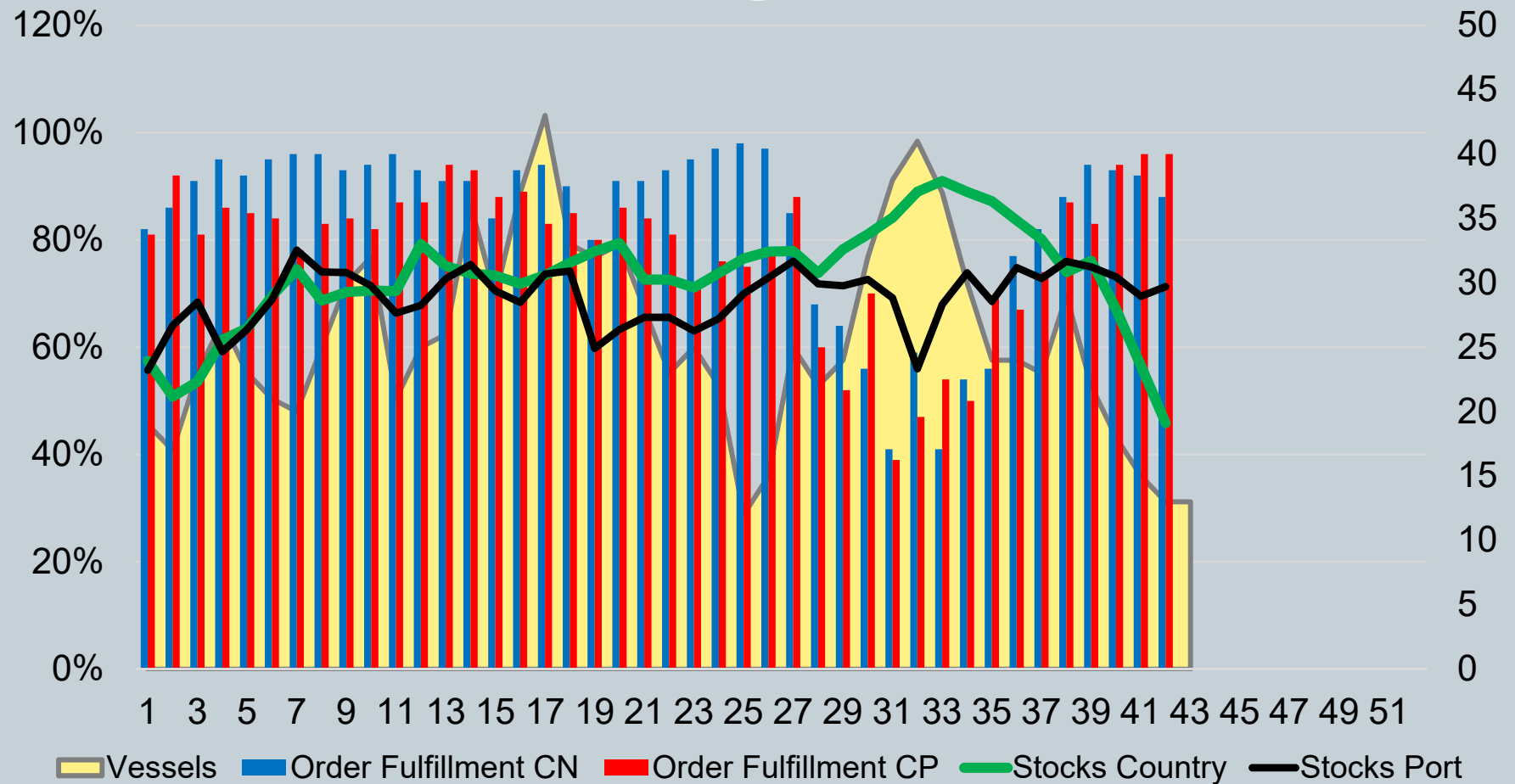
# Order Fulfillment



# Vessel Line up - Vancouver



# GHTS Status Tracking: 2018-19



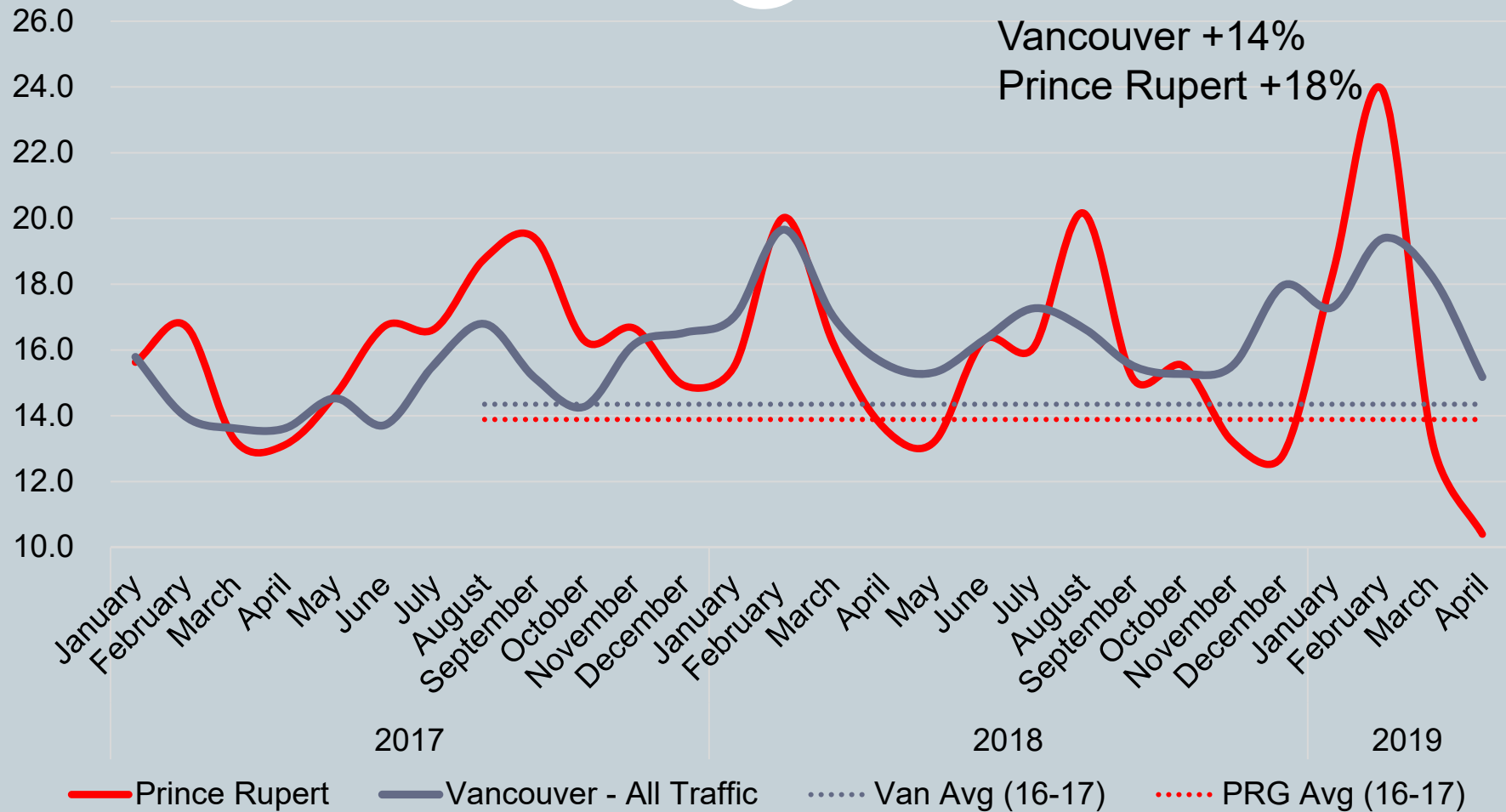
# Mitigating Factors



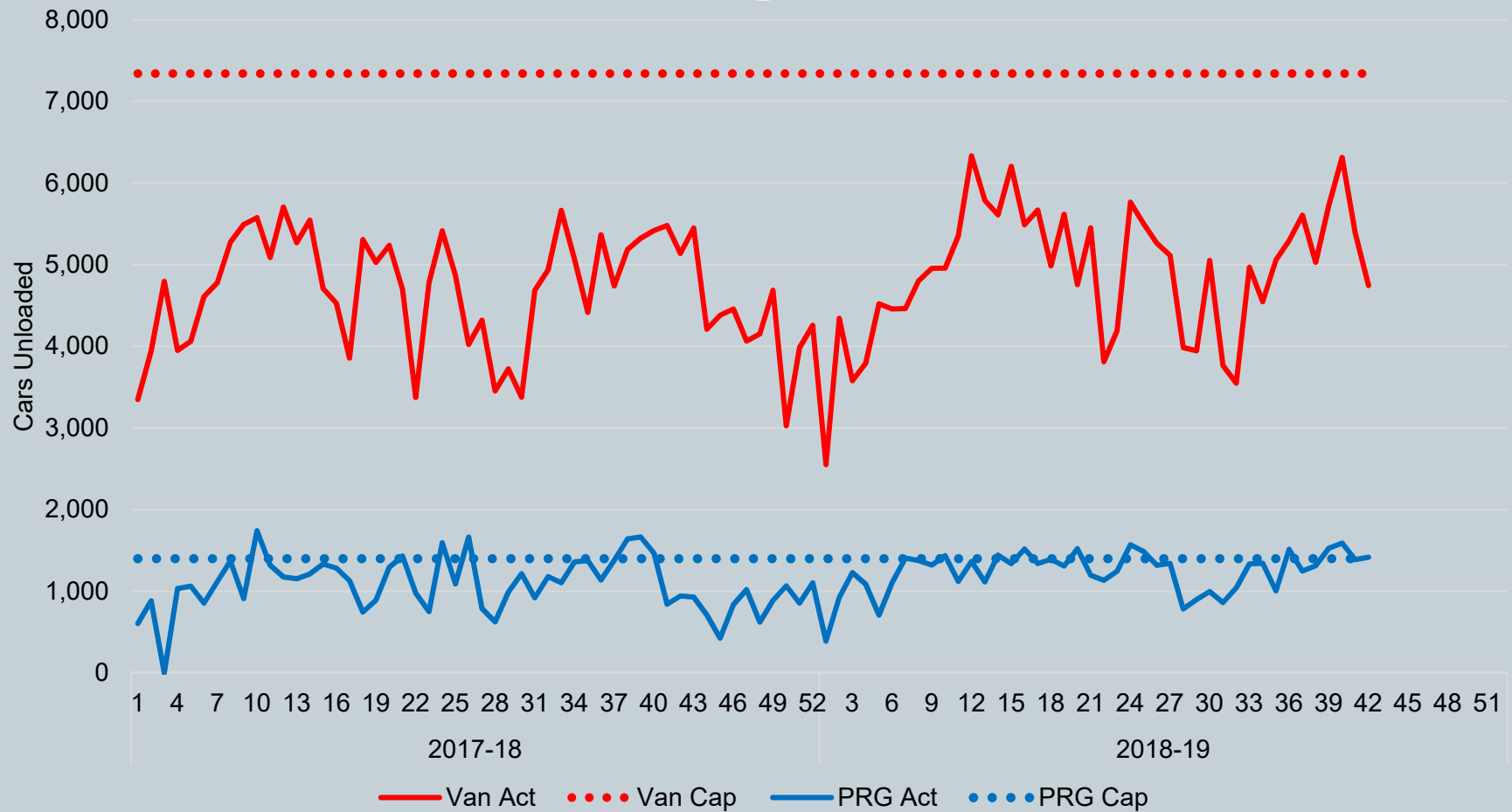
- **Global Market Challenges**
  - Climate change: Australia/ US/ South America
  - Market Aggressiveness of FSU states: Ukraine/ Russia
  - Political/ Diplomatic/ Non tariff trade issues: China, India, Italy et al
  - Various countries positions on GMO, Phytosanitary, MRL, Glyphosate, weeds
- **Agronomic**
  - Advent of new seed genomics
  - Increase in “Value added” products
- **The “Trump” factor**



# Car Cycles – West Coast



# West Coast Grain: Actual vs Capacity





# Railway Capacity

- Rail performance:
  - Increased car cycles/ dwell times/ reduces capacity
  - Reduced capacity impacts order fulfillment potential
  - Constricted rail volume impact vessel time in port
  - Railways are addressing issues:
    - ✦ Increased running trades hiring
    - ✦ Purchase of locomotives
    - ✦ Capital programs increasing track capacity
- Competition with other commodities by corridor

## Fleet requirement for 5,500 cars/ week (based on variable car cycle)

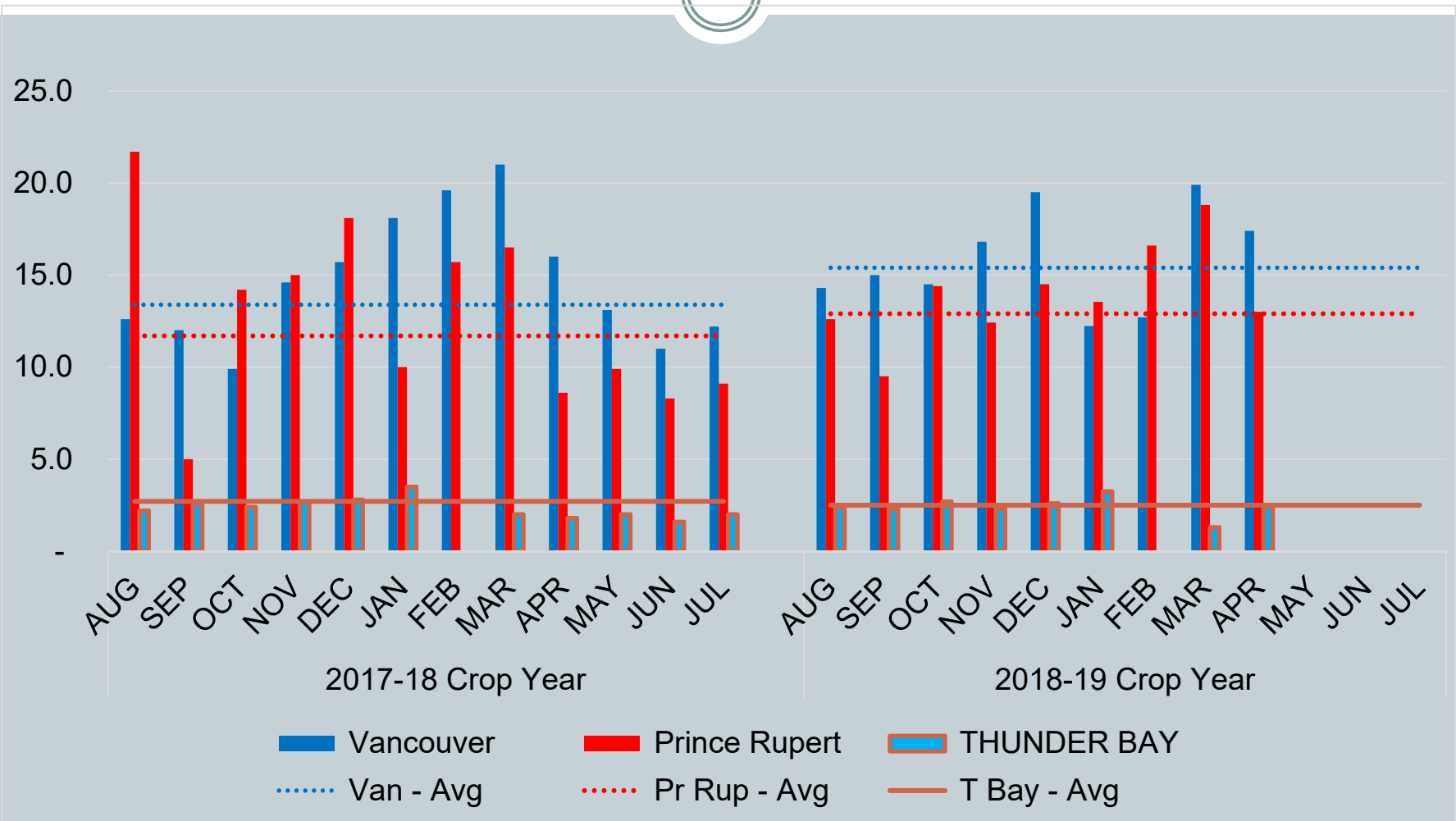
Cycle Time	Required Fleet
18.00	14,709
16.00	13,074
14.00	11,440

## Present Fleet

CN	12,100
CP	11,400



# Average Vessel Time in Port



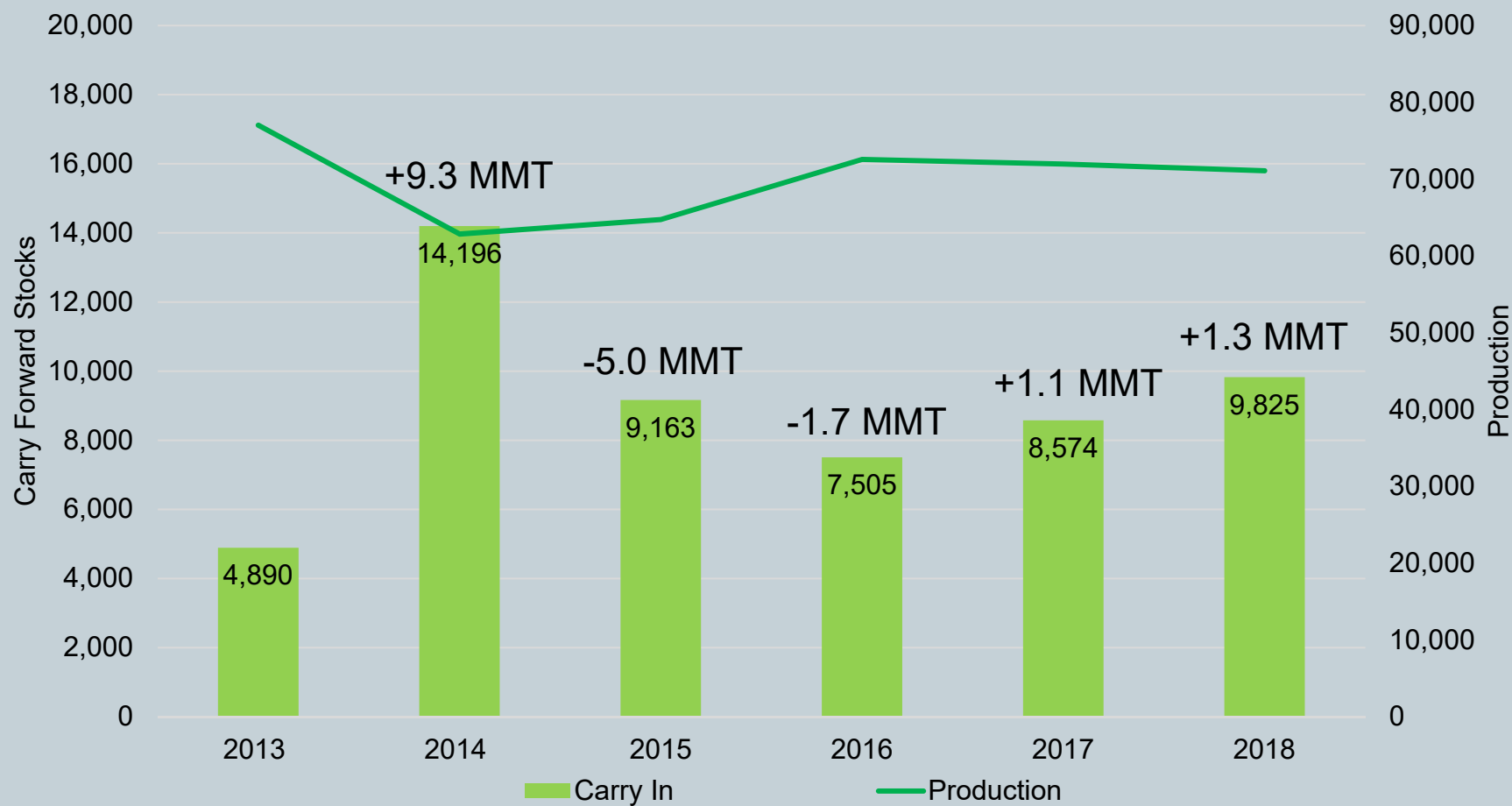
# Other Issues



- Loading in the rain (Vancouver)
  - ILWU contract negotiations
- CP elimination of 56 car rate
  - Part of CP's 8,500 foot train strategy
  - May give allowances to certain shippers
  - Approximately 12% originates from 56 car loaders
  - Impacts 34 facilities
- Impending growth of traffic on North Shore vs. rail capacity:
  - G3 in March 2022
  - 20-30% increase at Neptune (Coal and Potash)
  - Expansion of Fibreco facility



# Carry Forward Stocks



# Estimated Movement to April 2019

	YTD Apr 2019	YTD Apr 2018	Var
Western Canada Ports	32,283	29,481	9.5%
Eastern Canada Ports	2,518	1,738	24.3%
US - Export	5,280	6,195	-14.8%
Mexico - Export	250	271	-7.8%
<b>Total Export by Rail</b>	<b>40,330</b>	<b>37,684</b>	<b>7.0%</b>
US Export by Truck	1,640	1,816	-10.5%
<b>Total Export</b>	<b>41,970</b>	<b>39,501</b>	<b>6.3%</b>
Western Canada Domestic	526	622	-15.4%
Eastern Canada Domestic	808	786	2.8%
<b>Total Domestic by Rail</b>	<b>978</b>	<b>1,408</b>	<b>-30.5%</b>
Domestic Disappearance	14,537	14,392	1.0%
<b>Total Domestic - Other</b>	<b>15,515</b>	<b>17,207</b>	<b>-9.8%</b>
<b>Total Grain Moved</b>	<b>58,464</b>	<b>56,708</b>	<b>3.1%</b>
<i>Supply</i>	<i>80,926</i>	<i>80,542</i>	<i>0.5%</i>
<i>Est Balance</i>	<i>22,462</i>	<i>23,834</i>	<i>-5.8%</i>

# Summary



- Measures indicate some ongoing, possibly systemic issues
  - Current challenges will take another few weeks to resolve
- North Shore access will likely be a challenge in the very near future
- Still too soon to tell if the C-49 amendments will make a difference.





# ***Thank You***

***Reports Available***

***Website: [www.grainmonitor.ca](http://www.grainmonitor.ca)***



7/24/2019